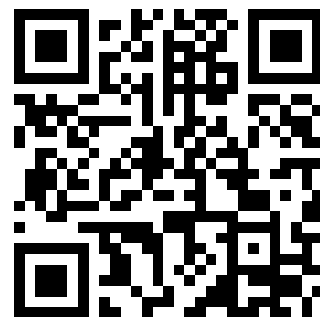

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**BRITISH DOCUMENTS
ON FOREIGN AFFAIRS:**
REPORTS AND PAPERS FROM THE
FOREIGN OFFICE CONFIDENTIAL PRINT

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FOREIGN OFFICE CONFIDENTIAL PRINT

GENERAL EDITORS
PAUL PRESTON and MICHAEL PARTRIDGE

PART IV

From 1946 through 1950

**SERIES E
ASIA
1948**

EDITOR
ANTHONY BEST

Volume 7
**Burma, Ceylon, India and Pakistan,
October 1947–December 1948**

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General Introduction

The documents reproduced in these volumes comprise every Foreign Office Confidential Print for 1948, with the exception of those relating to North America and Africa. Their purpose remained what it had always been—to provide, in a convenient format, information for government ministers and officials, both at home and abroad. Compared with the considerable changes in the pattern of production that occurred in 1947, the production of the Prints in 1948 followed almost exactly the pattern set in the earlier year. There were a total of sixty-one Prints produced in 1948, compared with sixty in 1947, most of which, as in that year, relate to individual countries.

The General Editors have decided that the series breakdown adopted in previous years will be maintained, except that the Prints relating to North America and Africa for 1948 will be issued combined with those for 1949, as they were deemed to be too short for separate publication.

Series A, the Soviet Union and Finland, comprises one volume, including the two Prints relating to those countries. A few pages from the Soviet Print have been retained by the Foreign and Commonwealth Office and accordingly are not reproduced here.

Series B, the Near and Middle East, consists of two volumes. The first includes the Prints for Afghanistan, Persia (Iran) and Turkey. The second includes 'Arabia' (which has sections on Muscat and the Trucial Coast and Saudi Arabia), Iraq, Palestine and Transjordan, Syria, Lebanon and Middle East (General), a miscellany of documents. The Arabia Print is the only other one of the Prints for 1948 that has been edited by the Foreign and Commonwealth Office, and it is reproduced here with some parts of the personalities reports removed.

Series C, Latin America, also comprises two volumes. The first volume contains four Prints, Latin America (General), Central America and the Caribbean, Mexico and Brazil. As in 1947, the Central America Print covers nine countries, Costa Rica, Cuba, the Dominican Republic, Guatemala, Haiti, Honduras, Nicaragua, Panama and El Salvador. The second volume is made up of two Prints, dealing with the 'River Plate Countries' and 'Other South American Countries'. As in 1947, the former includes Argentina, Paraguay and Uruguay, while the latter includes Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela.

Series E, Asia, comprises three volumes. The first consists of two Prints, one dealing with China and the other with Japan. The second volume includes six Prints that cover South East Asia (General), French Indochina, Siam, Korea, Indonesia and the Philippines. The third volume comprises two Prints; the first covers India, Pakistan and Ceylon, and the second, which includes documents dating from October 1947 to December 1948, deals with Burma, the first time this former colony had a separate Print dealing with its affairs.

Series F, Europe, is, as before, the largest series and is made up of five volumes. The first one consists of two Prints, one dealing with Germany and the other with Austria. The second one includes four Prints, Eastern Europe (General)—a new Print series for 1948, made up of the Central Europe (General) and South Eastern Europe (General) Prints of 1947—and Prints on Poland, Hungary and Czechoslovakia. The third volume is made up of ten Prints, covering Scandinavia and Western Europe. This deals with Denmark, Iceland, Norway, Sweden, Scandinavia (General) (a new Print series in 1948), Belgium and Luxembourg, the Netherlands, Switzerland, France and Western Europe (General) (another new Print series in 1948). The fourth volume consists of four Prints, covering Portugal, Spain, Italy and the Vatican, while the fifth also includes four Prints, dealing with Bulgaria, Greece, Roumania and Yugoslavia and Albania.

Series M, General, is made up of four Prints. These are British Commonwealth (General) (covering Australia, Canada and Newfoundland, Eire, New Zealand, and South Africa), General (dealing with economic affairs, European reconstruction, 'World organisation and situation' and 'General'), United Nations and Antarctica.

There have been some changes from the 1947 breakdown in the present volumes of the Asia and Europe series. In the Asia volumes, the Print on India, Pakistan and Ceylon has been placed in a new volume with that on Burma. There have been more changes in the Europe series. The Prints on Italy and the Vatican have been combined with those on Spain and Portugal to form a new volume. The Print dealing with France has been united with those covering Scandinavia and Western Europe, and the Print on Yugoslavia and Albania has been combined with those relating to Bulgaria, Greece and Roumania in the 1948 series.

The Foreign Office itself, however, made relatively few changes to the Prints in 1948, and in both format and content they remain broadly similar to those for 1947. It is worth noting that the quality of the printing has actually fallen in 1948. In some of the Prints, the typeface has become fainter and the quality of the paper is not always very good. This was, after all, the era of 'postwar austerity' and it is quite evident from the Prints that the Foreign Office was not immune from at least some of its effects.

There were also some changes made to the Prints in this year. Perhaps the most noticeable of these concerns the amount of pages that were produced. While the number of Print series remained more or less the same, the number of pages printed in 1948 was only about three-quarters of that of the previous year.

The most obvious reductions relate to the Africa and United States Prints (hence the decision to postpone publication of these Prints for a year), but all series show a decline in length. The General series has been reduced by over half, while that for Latin America has been shortened by some 60 percent. Europe has also been cut. Indicative of the priorities of the Foreign Office, however, is the fact that the series for the Soviet Union, the Middle East and Asia, while shorter than they were in 1947, have lost fewer pages than the others.

While all series are shorter in length than in the previous year, there is very little change in the relative number of pages printed in each one. As in 1947, the Prints devoted to Europe form the largest series, although Latin America has fallen to fourth longest, after the Middle East, Asia and the Soviet Union.

As in 1947, too, the longest single Print, by some distance, is that relating to the Soviet Union, which, at over 650 pages, can be contrasted with the eleven pages devoted to Antarctica or to the affairs of Sweden. As in 1947, the longest Print in the Middle East series is that relating to Persia (Iran) and the shortest relates to the Lebanon. Mexico has the longest Print in the Latin America series for 1948, with Brazil in second place. There is little on the Dominican Republic or Honduras, but the shortest Print of all is that relating to El Salvador. In the Asia series, the longest Print relates to China, as in 1947, and the shortest to Indochina. Nepal, which had a very brief Print devoted to it in 1947, does not feature at all in 1948. Almost uniquely, there is a slightly longer Print on Germany in 1948 compared with the one for 1947—although it is the affairs of Italy that receive the most coverage of any European state, albeit by a small margin. The shortest European Print is that covering Sweden, as it was in 1947, with Switzerland a close second. In the General series the Antarctica Print is the shortest, while that on General Affairs is the longest.

The content of the Prints varies, naturally enough, from place to place, but there are some common features. Most apparent of these is the appearance (for most countries) of an Annual Report or Annual Review covering the previous twelve months. The Annual Reports are no longer quite the long and detailed documents constructed by almost the whole staff of a mission that in some cases ran over one hundred pages, and there has been a notable increase in the number of briefer Annual Reviews. Nevertheless, they remain very valuable and worthwhile surveys of affairs in various countries. There are, in total, some forty-nine Annual Reports or Annual Reviews of events in 1947 in the 1948 Prints. (The Print on Greece includes the report on events in 1946 as well as that for 1947.) The only countries that do not have one or the other devoted to them are the Soviet Union, Palestine, the Dominican Republic, Peru, French Indochina, Korea, Indonesia, India, Pakistan, Ceylon, Burma, Germany, Iceland, Belgium, Luxembourg, Albania, Australia, Canada and Newfoundland.

Some more general reports were also issued in 1948. These included surveys of political events in Korea between 1945 and 1948, in Indonesia and Burma between 1939 and 1948 and in Iceland between 1945 and 1948.

Countries that had Annual Reports or Annual Reviews for 1947 printed in 1948 were sometimes given more up-to-the-minute coverage. Japan, South-east Asia and Italy had quarterly reports printed, covering events from October 1947 to September 1948 in the case of Italy, from January to September 1948 in the case of Japan and from October 1947 to June 1948 in the case of South-east Asia. The Soviet Union, while it did not have an Annual Report for 1947 printed, received attention in four quarterly reports, covering October 1947 to September 1948. The quarterly report on Persia covering the three months from October to December 1947 was also printed. Monthly reports on four countries were produced: these related to Persia (Iran) (from January to November 1948), China (from December 1947 to November 1948) and India and Pakistan (in both cases, covering the months of January to November 1948).

As in 1947 the Embassy in the Soviet Union continued to produce weekly reviews of international features in the Soviet press and monthly summaries of the 'Main Omissions and Special Features in the Presentation of World News' by the Soviet media.

While not exclusively devoted to political events, these various reports generally concentrated on such matters. Economic affairs, however, also received some attention in various formal reports. Most of these take the form of Economic 'A' Reports, which deal with the whole of 1947. Seven of these were printed in 1948, covering El Salvador, Mexico, Bolivia, Chile, Venezuela, Poland and Hungary. Other reports included an economic report on the Dominican Republic and a 'brief commercial report' on Afghanistan for 1947; an Economic 'A' Report on Bolivia for 1945–1946; and a single Economic 'B' Report on Bolivia for 1946.

In comparison with this rather limited coverage, a large number of reports on 'Leading Personalities' and 'Heads of Foreign Missions' were published in 1948. Thirty-eight of the former and forty of the latter were printed in this year, compared with thirty-eight and fifty-four,

respectively, in 1947. Hence it is possible to study the leading personalities in countries as far afield as Finland, Afghanistan, Cuba, the Philippines, Austria, Norway and Albania (the only material relating to Albania printed in 1948). Those in charge of foreign diplomatic missions in the Soviet Union, Iraq, Honduras, Peru, Japan, Poland, Sweden, Yugoslavia and various other countries also had their personalities and politics analysed by the Foreign Office representatives. Indeed, two such reports were issued by the Embassy in Oslo in 1948.

The regular reports issued by the various embassies and consulates form a good proportion of the documents printed by the Foreign Office in 1948—more so, indeed, than in previous years. Even so, there is a lot of coverage of day-to-day events remaining in many of the documents. In the case of the Soviet Union, for example, much attention is paid to Soviet-American relations and other foreign policy moves by the Soviet Government in various parts of the world, keeping an especially close eye on the spread of communism. Developments inside the Soviet Union are not neglected, however; there are reports on the second year of the Five Year Plan, on the development of the Communist Party and on Soviet law and prison life. Relations with the Soviet Union unsurprisingly figure in the Finnish Print, but so do the 1948 elections and the Finnish Government's recognition of Israel.

There is a good deal on Afghan relations with newly independent Pakistan and on the 'North-west Frontier question'. The Shah of Iran's visit to Britain figures in the Persia Print, as do Turkey's relations with Greece and the 'Atlantic Pact' countries in the Turkey Print. In the Arabia Print there is a section devoted to Muscat and the Trucial Coast as well as one on King Abdullah of Transjordan's visit to Saudi Arabia. Elections in Iraq and Anglo-Iraqi relations form most of the material in the Iraq Print. The tense situation in Palestine, Britain's withdrawal from there, the tumultuous early days of the state of Israel and King Abdullah's foreign travels figure largely in the Palestine and Transjordan Print. The Middle East (General) Print deals mostly with the situation in Palestine and its environs and British policy in the region.

The Print for China, unsurprisingly, deals at length with the progress of the civil war and the general political and military situation there. A lot of attention, though, is also devoted to the 'Kowloon incident', the cause of considerable dispute between the British and Nationalist Governments, both of whom claimed authority over the area, and to the 'Canton outrage', where the British Consulate and other buildings were destroyed in rioting. There is also some discussion of a projected Hong Kong customs agreement. Most material in the Japan Print relates to proceedings of the newly established National Diet.

Some attention is paid to the political situation in Siam and Korea and in Indonesia, where anxiety at the renewal of Dutch military action is particularly evident. A watch was kept on India's internal development and its relations with the Commonwealth, and on Pakistan's relations with its neighbours, while Ceylon's independence celebrations are reported on. British negotiations with Burma are also noted. In several of these countries, anxiety as to the spread of communism is clearly apparent, as reports on external influences and native Communist parties feature in a number of Prints.

In Europe there is plenty of comment on a wide variety of matters. Obviously, serious observations on the spread of communism are to be found in the Prints on several countries, particularly the newly established members of the 'Eastern bloc' such as Poland, Hungary, Bulgaria, Roumania and Yugoslavia, but also in Western European countries such as Italy. Debates on the future of Germany and, in particular, the Soviet blockade of Berlin are covered in detail. A close watch is also kept on developments in Austria, where neo-Nazi proceedings were scrutinised. The fall of Dr. Eduard Beneš of Czechoslovakia and the all-too-apparent spread of communism there are regularly reported on. In Belgium the main question as reported is whether or not the country should become a republic. Much of the Netherlands Print is in fact devoted to the situation in Indonesia. French colonial difficulties are also noted, together with economic and political developments in France and French relations with, and plans for, Germany. Portugal's colonial affairs figure largely, too, whereas the internal political situation in Spain takes precedence. Elections and constitutional developments in Italy feature in the 1948 Print, together with discussions on Italy's former colonies and the perennial Alto Adige question. The Vatican Print shows that the Papacy clearly took an interest in the Italian elections as well.

Besides the development of the Communist regime in Bulgaria, the main subject of study there seems to have been the problem of Macedonia and the effect of that difficulty on relations with Yugoslavia. The minister in Greece watched that question, too, as well as continuing to keep a close eye on developments in the 'bandit war' in Greece itself. The consolidation of the Communist regime in Roumania is fully reported on, while most material from Yugoslavia relates to that country's expulsion from the Cominform and its repercussions.

All the countries in the British Commonwealth series—including Eire, which was not the case in 1947—receive some coverage. Most space is devoted to Canada, where among other things there is material on the decision on confederation with Newfoundland. Eamon de Valera's visit to the United States and its effects figure largely in the section on Eire, while the elections resulting in the victory of D.F. Malan's Nationalists are the main focus of attention in the South Africa section.

In the General series there is plenty of space devoted to European economic cooperation and development and European reconstruction. The work of the United Nations also receives some coverage. The papers on Antarctica concern particularly Anglo-Argentinian and Anglo-

Chilean relations, in regard to their respective positions in Antarctica, and the material brings out fully the adverse developments over the year.

There is, therefore, a good deal of material to be found in these pages. The single most important anxiety remains the spread of communism. While the victory of the Communists in China, for example, was not yet fully evident, it was all too clear in the countries of Eastern Europe. The repercussions of Britain's withdrawal from Palestine are also a matter for serious observation. But Britain had not fully abandoned its great power pretensions in 1948. Hence it took an interest in disputes in the Indian subcontinent, although it was no longer the ruling power there. Britain also kept watch on the Dutch Government's difficulties in Indonesia. The British even 'sent a gunboat' (in fact, the cruiser HMS *Sheffield*) to Belize to guard against possible attacks on the colony from Guatemala and Mexico. Britain's relations with the countries of Latin America were evidently still of some importance in 1948, for both political and economic reasons. Nearer home the Alto Adige and Trieste questions continued to exercise British foreign policy makers. Given the problems facing Britain, it is pleasant to report that at least the British Exhibition held in Copenhagen in September and October 1948 was evidently a success.

It is clear from the Foreign Office Confidential Prints that 1948 was not a particularly good year for Britain in world affairs. The 'red menace' had not declined, but the empire had. Through all of this, British diplomats continued to report fully on people, places and events, and their reports, as printed here, remain of first-class importance to the historian.

The General Editors would once again like to thank the staff at the Public Record Office in Kew for photocopying the documents. They would also, as always, like to thank Mrs. Karen Partridge, who has continued throughout the year to provide indispensable assistance in the collection and arrangement of the Prints.

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Note on the Subject Index

Most Confidential Prints have a subject index, found in the original Print at the end of the Table of Contents, that references individual document numbers. UPA has combined these indexes into a comprehensive subject index for each volume of Part IV of *British Documents on Foreign Affairs*. Because each volume may contain more than one Confidential Print and each Print begins with document number 1, there may be duplicate document numbers within a volume. Therefore, reference is made not to the individual document numbers but to the volume's page number, located at the bottom outside corner of each page. The user should be aware that there may be more than one document on a page, only one of which may contain the subject being researched.

If a Confidential Print had no subject index, UPA has provided subject terms for each document for that Print.

Introduction

In 1948 the challenges that Britain faced in Asia became even graver than in the immediate post-war period. By 1948 Britain had reconciled itself to a division of labour in which the United States took responsibility for East Asia and Britain assumed the mantle in South-East and South Asia. However, this year saw the emergence of a communist menace in the region that threatened this new order. In established countries, such as China, newly independent countries, such as Burma and the Philippines, and in colonies, such as Malaya and Vietnam, communism posed a grave danger to the fragile post-war regimes. Furthermore any effort to construct a broad defence of these vital areas was undermined by the other fault-lines in the region, such as the continuing dispute over the future of Indonesia and the hostilities between India and Pakistan over Kashmir.

The Confidential Print produced by the Foreign Office in 1948 reflects the broad array of issues that Britain had to contend with in Asia. Continuing the practice of the war years, the Foreign Office during this period published the Confidential Print in volumes dealing with East and South-East Asia as a whole rather than dividing the material into volumes on individual countries. These volumes thus deal with British policy towards, and the state of affairs in, China, Korea, Japan, Thailand, French Indo-China, the Dutch East Indies (Indonesia), the Philippines, India and Pakistan. In addition, however, due to the fact that independence was granted to Burma and Ceylon in 1948 these countries are also included for the first time. Once again it has been possible to produce a complete rather than an edited version.

The multilateral approach taken in the Confidential Print has huge advantages for the historian, for when one consults these volumes one can understand the wide range of issues that interested Britain in this period. One can also see how the fear of the spread of communism affected British policy throughout Asia, and how this in turn influenced its attitude towards the rise of nationalism. In addition due to the inclusion of a number of papers produced by the Foreign Office Research Department in 1948 on the national histories of countries in the region, one gains an invaluable insight into how the foremost experts in Whitehall understood and interpreted the recent events that had shaped Asian history. This series of the Confidential Print is, however, of value not only for the insights it gives into British thinking. It also contains detailed and perceptive reports on the great events that swept Asia during this troubled year, from the victory of the Chinese Communist Party (CCP) in the Chinese Civil War to the desperate attempt by the Netherlands to keep hold of the riches of the East Indies.

* * * * *

During 1947 Britain had made some progress in achieving its ends in Asia. In the American-dominated region of East Asia, Britain had worked hard to try to increase the economic opportunities open to it. In China this had met with some success due to Britain taking advantage of the growing unpopularity of the United States. This contrasted with its efforts in Japan, which proved less effective. In South and South-East Asia Britain was engaged in granting independence to the countries that had traditionally been under the control of the India Office and was undertaking constitutional reform in Malaya. These moves had not been without their problems, most notably the horrific massacres linked to the partition of India, but Britain was reasonably confident that the successor regimes could be persuaded to co-operate with Britain after independence. Moreover, the British effort, through its Special Commissioner in Singapore, to revive the regional food and fuel distribution networks had achieved valuable results. Unfortunately 1948 was to see the problems compounded and the successes undermined.

At the start of 1948 Britain had some hope that its economic fortunes in China might revive. However, the start of the year saw a new set of problems emerge. As in the past the colonial government in Hong Kong was one cause of Chinese hostility towards Britain; the reason this time being the former's decision to take action against squatters in Kowloon. This action provoked in turn an attack on the British consulate-general in Canton, which was razed to the ground by a Chinese mob. Naturally these events and the claims and counter-claims for compensation that ensued over-shadowed Sino-British relations for the first six months of 1948.

However, even had this obstacle not emerged, there was little room for optimism about the British commercial position due to the course of Chinese politics in 1948. As the year progressed it became clear not just that the Kuomintang was losing the war against the CCP, but that its

defeat might be imminent. In particular the conflict in Manchuria and north China was going in the CCP's favour to the extent that by the end of the year the former region was completely under communist control and the Red Army was poised to march on Nanking and Peking. The only thing that could now save Kuomintang was American military intervention, but it was apparent that the American Secretary of State George Marshall had no intention of providing anything more than economic assistance to Nanking.

The prospect of the CCP becoming the government of China naturally provoked a great deal of debate in British quarters about what this would portend for the future. This was an important issue for Britain as it was inexorably linked to matters such as the future of Hong Kong and the possible political allegiance of overseas Chinese in South-East Asia. A major problem in making predictions and thus formulating policy was that the CCP remained a largely unknown quantity. Some in the Foreign Office viewed the party as totally under the control of Moscow and cited the CCP's recent denunciations of Josip Broz Tito's Yugoslavia as proof. Others, however, drawing on their experiences in China, were not so certain and felt that the CCP would not necessarily toe the Soviet line. By the end of 1948 therefore Britain was involved in urgent discussions with the newly re-elected Truman Administration about how to respond to the new China.

Britain was also troubled by the situation in Japan. The problem here was not so much the rise of communism, although the fortunes of the Japanese Communist Party were of interest, but rather the difficulty of trying to follow and influence American policy. Through 1948 it became clear that Washington had decided that it was urgently necessary to revive the Japanese economy and that the United States was even willing to provide dollar aid to bring about this outcome, thus mirroring the provision of Marshall Aid to Europe. Britain was however not privy to the intricacies of American thinking and remained ignorant of the intentions behind the visits of figures such as George Kennan and General William H. Draper to Japan in the spring of 1948. This was inconvenient and not a little troubling for Britain, which had important interests at stake.

One key area of British interest was what these American initiatives portended for the deliberations about a peace treaty with Japan. This issue had been raised by General Douglas MacArthur, the head of the occupying forces in 1947, but after having provoked intense debate within the British Commonwealth had been laid aside by Washington. Nineteen forty-eight witnessed little American enthusiasm for reviving the issue despite the Foreign Office's entreaties and gave no clue as to when it was likely to return to the agenda. For Britain the lack of clarity over this issue was frustrating for it was tied to the whole question of security in the Pacific and South-East Asia, matters that were of considerable importance to London and Canberra.

In addition Britain needed a clearer idea of American policy because of its various interests in the commercial revival of Japan. Britain was not averse to Japanese recovery, for it recognised that this was important for Japan's domestic political stability and that Japan could provide an important market for and supplier of finished goods to the Sterling Area. Britain's interest was to try to establish a balanced trade relationship between the Sterling Area and Japan that would work to the benefit of both parties. In May 1948 it achieved some success in this area when it was able to negotiate with the Supreme Commander of the Allied Powers (SCAP) a Sterling Payments Agreement, which set the foundations for a revival of trade links between Japan and the members of the Sterling Area. There was however still some concern in Whitehall that SCAP was handling Japan's economic rehabilitation in such a way that American business would benefit most. Lack of knowledge about the details of the recent changes in American policy hardly instilled confidence.

In Korea Britain was content to remain on the sidelines and did little to attempt to influence events in the peninsula. It thus merely acted as an observer to the process that led in 1948 to the emergence of two regimes both controlling distinct geographical areas but competing for control over the whole country. The British view of North Korea was that it was firmly under Soviet control and that the number of refugees fleeing south was symbolic of the tyranny of communism. There was, however, also little enthusiasm about the regime in the south where the choice appeared to lie between chronic political instability due to the right-left divide or the establishment of an authoritarian regime under Syngman Rhee.

Britain's role in East Asia thus remained largely passive. Important issues were being discussed and significant events taking place, but they were not matters that Britain could influence. However, in South and South-East Asia Britain still remained the dominant Great Power, although its guiding role was becoming more difficult due to the fact that it had already granted independence to its South Asian colonies. The difficulty here was that there was no guarantee that the successor regimes would necessarily show gratitude and follow the British lead. Moreover independence had sparked a number of ethnic and religious clashes between and within the newly independent states that meant that Britain was faced with the unwelcome task of having to choose sides. In addition damage was still being done to Britain's position by its more reactionary European counterparts, the Netherlands and France, who were still fighting to retain their footholds in the East Indies and Indo-China.

The unstable state of South and South-East Asia was a matter of great concern to Britain for it represented a fertile environment for the spread of communism. Nineteen forty-eight saw the threat of communism growing throughout the region from the continuing resistance of the Viet Minh to the French to the resurgence of the Hukbalahap movement in the Philippines. What was particularly worrying for the British about these outbreaks was that they did not appear to be

isolated occurrences caused only by dissatisfaction at local conditions. In February 1948 the Second Congress of the Communist Party of India took place in Calcutta. This event led to communist cadres from other Asian countries arriving to attend the proceedings and it was widely believed that orders from Moscow were disseminated calling for armed revolution in the region. This belief was heightened by the way in which communism appeared to spread like a plague following the Calcutta meeting. In March 1948 the Communist Party of Burma (CPB) began an insurrection; this was followed by the return to Java after years of exile of the Indonesian Communist Moeso who then in September led an abortive revolt in Madiun in Java. Most serious of all however was the insurgency begun by the Malayan Communist Party (MCP) in June 1948, for Malaya as the leading dollar earner in the Sterling Area was crucial to the British economy. The spectre of communism was thus seen with great foreboding in London and the desire existed to make both Washington and Britain's former colonies in Asia realize the extent of the threat.

To unite the region against communism was by no means an easy task. One problem was that the new leading political figure in Asia, Indian Prime Minister Jawaharlal Nehru, still adhered strongly to the idea that India should remain neutral and thus free of Great Power entanglements. Nehru was prepared to face down the CPI domestically but he had no intention of taking the same stance in the international arena. In addition the future of British influence was left uncertain because of the continuing controversy over Indian membership in the Commonwealth. Moreover India had many other issues to address including the overthrow of the remaining princely states such as Hyderabad and controlling the extreme Hindu groups who disliked the idea of India being a secular state. In January 1948 one of the latter was responsible for the assassination of Mahatma Gandhi. Meanwhile Pakistan was itself facing similar problems as it wrestled to gain control over the North-West Frontier province and ensure dominance over East Bengal. The other obvious problem was that within the sub-continent the issue of the Indo-Pakistani hostility over Kashmir was a much greater threat to security than communism. Averse to taking sides in this dispute Britain was content to see the United Nations take responsibility for mediating a solution to this conflict, but this approach did nothing to strengthen British influence in New Delhi or Karachi.

In Burma a different problem emerged. Burma had firmly decided that upon independence in January 1948 it would not become a member of the Commonwealth. Britain accepted this but hoped to retain some influence. However, once the CPB insurrection began the Burmese Prime Minister Thakin Nu tried to ameliorate the situation by stating that his country wished for closer relations with the Soviet Union, much to the frustration of London. Burmese resolve was also weakened by the fact that it faced other regional challenges to its authority, most notably from the Karens.

Also complicating Britain's task in Asia were the continuing efforts by the Netherlands and France to stifle resistance within their own colonies. The former represented the greatest problem since the Dutch police action against the Indonesian Republic in 1947 had already provoked international opprobrium. In January 1948 there was some hope with the signing of a cease-fire, the Renville agreement, that tensions would dissipate and that energies would be directed towards the construction of a federal Indonesia that would be part of a Dutch Union. Indeed by the summer of 1948 Britain was contemplating the lifting of its arms embargo on the Netherlands. However, the Dutch had still not reconciled themselves to the existence of the Indonesian Republic and the economic, social and political chaos in Java, added to the re-emergence of the Indonesian Communist Party, the PKI, led them to believe that the world would accept a second 'police action' in December 1948. In this they were sadly mistaken, and Britain, aware of the strong feeling against the Dutch in India and Australia, made its displeasure known in the Hague.

France meanwhile continued its war against the Viet Minh. Little progress was made in the fighting in Tonkin, but sensible to the mood of the times the French attempted to buttress their cause both within Indo-China and internationally by creating an autonomous regime in Vietnam similar to the ones that it had already established in Cambodia and Laos in 1947. In 1948 the first steps were taken to establish a Provisional Government of Vietnam that it would take its place in the French Union. Some non-communist Vietnamese nationalists such as Bao Dai, General Xuan and Ngo Dinh Diem were willing to associate themselves with this venture, but the French moves did not convince the international community. Aware of this general distrust of French actions, Britain proved unresponsive to France's calls for greater cooperation in the region.

Perhaps surprisingly one of the few states that did appear to appreciate the communist threat to Asia in the same way as Britain and did not act to complicate matters further was Thailand. In 1947 the political instability in Thailand and the re-emergence into politics of its wartime leader, Luang Pibul Songgram, had led to some concern in British circles. In April 1948 following an army coup Pibul once again became Prime Minister but proved not to be as inflammatory as had been feared. In particular by the end of 1948 he showed himself to be willing to consider cooperation with Britain over denying sanctuary to the MCP in southern Thailand and allowing cross-border operations by the British forces.

Faced with the above problems Britain clearly had a difficult task in working out how to construct a policy that would contain the spread of communism in South and South-East Asia. If it stressed the need for a tough response based on military co-operation, it risked alienating the newly independent states and being forced into the arms of the Netherlands and France.

Britain therefore took a different tack and by the end of the year began to edge towards a policy that emphasized not overt action against communism but rather the need to bring economic and political stability to Asia. At the meeting of Commonwealth Prime Ministers in London in October 1948, British Foreign Secretary Ernest Bevin called for Commonwealth members to consult about the future of the region. In a sense this was building on the framework that had already been established by Lord Killearn in his period as Special Commissioner in South-East Asia. By emphasizing the British desire to increase regional economic co-operation, Britain was taking the least controversial line towards the building of a regional consciousness. This it was hoped would stifle the spread of communism and maintain Britain's dominant role. It remained however to be seen whether such an approach would achieve Britain's goals.

By the end of 1948 the political situation in Asia was thus causing much concern. It was only a matter of time before the CCP brought the whole of China under its control and communism was beginning to menace the rest of Asia. In the face of this onslaught, the artificial divide (whereby Britain had taken responsibility for South and South-East Asia and ceded its role in East Asia to the United States) began to break down. From now on stretched by the weight of its global responsibilities, Britain would invite the United States into its area of dominion in Asia in order to share the load.

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Chronological Table

1948

4 January	Independence of Burma.
5 January	British eviction of squatters in Kowloon.
6 January	Massacre of non-Muslims in Karachi.
8 January	Arrival of United Nations Commission on Korea in Seoul. Indonesian Republic declares it is willing to be part of United States of Indonesia.
16 January	Mob burns down British Consulate-General in Canton.
17 January	Netherlands and Indonesian Republic sign cease-fire on USS <i>Renville</i> .
30 January	Assassination of Mahatma Gandhi.
1 February	Malayan Federation established.
4 February	Independence of Ceylon.
10 February	Fall of Katayama Administration in Japan.
18 February	President Harry S. Truman calls on Congress to approve aid to China.
19 February	South-East Asian Youth Conference opens in Calcutta.
20 February	Fall of Anshan in south Manchuria to CCP.
21 February	Formation of Ashida Administration in Japan.
28 February	Second Congress of Indian Communist Party opens in Calcutta.
9 March	Provisional Federal Government for Indonesia inaugurated under Dutch auspices.
19 March	Fall of Kirin in Manchuria to CCP.
21 March	MCP Central Committee decides on armed struggle against Britain in Malaya.
24 March	President Manuel Roxas of the Philippines outlaws the Hukbalahap movement.
27 March	Lord Killearn relinquishes post as Special Commissioner in South-East Asia.
28 March	CPB insurrection begins.
29 March	Opening of Chinese constitutional assembly.
3 April	China Aid Bill approved by Truman. Start of left-wing uprising on Cheju island in southern Korea.
6 April	Nai Khuang removed as Thai Prime Minister, replaced by Pibul Songgram.
15 April	Death of President Roxas; Elpidio Quirino succeeds him.
21 April	UN Security Council passes a resolution establishing a commission to look into question of Kashmir.
1 May	Malcolm MacDonald appointed British Commissioner-General in South-East Asia.
4 May	Pakistani regular army enters Kashmir.
10 May	Elections held in U.S. zone of occupation in Korea.
20 May	Chiang Kai-shek inaugurated as President of China.

25 May	Burmese Prime Minister Thakin Nu states that Burma should have closer relations with the Soviet Union.
31 May	Sterling Payments Agreement concluded between United Kingdom and Supreme Commander of the Allied Powers (SCAP).
1 June	Opening of Economic Commission for Asia and the Far East (ECAFE) conference in Ootacamund in India.
5 June	Baie d'Along Protocol signed by Bao Dai and French Government giving Vietnam independence within French Union.
16 June	Murder of five British planters in Perak by Malayan Communist Party.
18 June	British declaration of state of emergency in Malaya.
20 June	U.S. Congress passes aid package of \$500 million for Japan.
21 June	Lord Louis Mountbatten ends his term as British Governor-General of India.
3 July	Sino-U.S. economic aid agreement signed.
7 July	Arrival of UN Commission for India and Pakistan in Karachi.
31 July	Ashida Administration announces that public sector workers are to be denied right to strike.
11 August	Moeso returns to Indonesia and takes over leadership of Indonesian Communist Party (PKI).
13 August	UN Commission for India and Pakistan puts forward cease-fire proposals for Kashmir.
15 August	Proclamation of Republic of Korea (South Korea).
19 August	CCP establish North China People's Government.
20 August	Introduction of new Chinese currency, the 'gold yuan'.
9 September	Proclamation of Democratic People's Republic of Korea (North Korea).
11 September	Death of Mohammad Ali Jinnah.
13 September	Indian troops over-run Hyderabad.
14 September	Khwaja Nazimuddin from East Bengal becomes new Governor-General of Pakistan.
18 September	PKI revolt in Madiun in Indonesian Republic.
24 September	Fall of Tsinan in Shantung to CCP.
7 October	Resignation of Ashida Administration in Japan.
9 October	Truman approves NSC 13/2 setting U.S. policy towards Japan.
12 October	Ernest Bevin proposes Commonwealth consultation over South-East Asia at Commonwealth Prime Minister's conference in London.
15 October	Formation of second Yoshida Administration in Japan.
19 October	Fall of Changchun in Manchuria to CCP.
20 October	Outbreak of left-wing Yosu rebellion in Republic of Korea.
31 October	Price controls for essential commodities introduced in Shanghai.
2 November	Fall of Mukden in Manchuria to CCP.
12 November	Sentences meted out by Tokyo War Crimes Tribunal.
20 November	CCP seize radio-set of American Consulate-General in Mukden.
21 November	Start of CCP offensive against Peking-Tientsin area.
1 December	Fall of Hsuehou to CCP.
10 December	Joseph Dodge appointed senior economic adviser to SCAP.
11 December	UN Commission for India and Pakistan (UNCIP) puts forward plan for plebiscite in Kashmir.
17 December	India appeals to United States for financial assistance.
19 December	Dutch launch second 'police action' against Indonesian Republic.
22 December	India accepts UNCIP proposals for Kashmir.
24 December	Burmese massacre of 400 Karens at Palaw.
25 December	Pakistan accepts UNCIP proposals for Kashmir.

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CONFIDENTIAL

(17760)

CORRESPONDENCE

RESPECTING

BURMA

PART 1

October 1947 to December 1948

The following pages include all correspondence for Confidential Print No. 17760.

The pagination of the original documents has been retained. The Table of Contents beginning on the facing page references the original pagination, located at the upper outside corner of each page. Additionally, the entire volume has been paginated continuously in the lower outside corner of each page. University Publications of America has retained the original pagination to individual Confidential Prints so that scholars have accurate bibliographic information.

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CONFIDENTIAL

CORRESPONDENCE RESPECTING BURMA

PART 1.—OCTOBER 1947 TO DECEMBER 1948

XS 14/7 (1/47)

No. 1

FUTURE BRITISH INTERESTS AND REPRESENTATION IN BURMA

This memorandum attempts to consider briefly how British interests in Burma will need to be represented after the impending transfer of power, and to provide some background information on what those interests will be. I have some knowledge of Burma, but very little idea of diplomatic and consular work. The situation is changing monthly—almost weekly. We shall have to be guided by the High Commissioner's recommendation after investigation on the spot. But in the meantime this minute may give interested departments some idea of the commitments we may be called on to meet. To save time I have referred to consuls and vice-consuls, &c., though at first they will presumably be Assistant High Commissioners or something of the sort.

2. Having regard to the extent of British representation in South-East Asia before the war the probable scale of British economic political and strategic interests and the probable number of British subjects who will remain in Burma after the transfer of power, I believe that it will be found necessary to establish, besides the mission in Rangoon, with primary consular jurisdiction over Lower Burma (*i.e.*, all Burma except Upper Burma), at least one other career consulate, preferably at Maymyo, with jurisdiction over Upper Burma (which is a definite administrative area covering the Mandalay, Sagaing and Magwe divisions (less the Thayetmyo district) and the Shan States). Karenni, or the Karen State, however, should be in the Rangoon district, as Mawchi (see paragraph 12 (e)) is much nearer Rangoon.

3. In the Rangoon consular district (Lower Burma [*i.e.*, Burma *less* Upper Burma] plus Karenni) consular agents in some form may be needed (subject to the policy laid down in Circular No. 0135 of 8th October, 1946) at—

- (a) Akyab (a port in Arakan).
- (b) Bassein (a port in the west Irrawaddy Delta).
- (c) Moulmein (a port at the mouth of the River Salween).
- (d) Mergui (a port on the Tenasserim coast in the extreme south-east).
- (e) Mawchi (Karenni—wolfram mines). (See paragraph 12 below.)

4. In the Maymyo consular district (Upper Burma) consular agents may be needed at—

- (a) Chauk (oil-fields).
- (b) Namtu (Northern Shan States—lead-silver mine).
- (c) Bhamo (China border).
- (d) Kalaw (Southern Shan States—hill-station). (See paragraph 13 below.)

5. *Pre-war British Economic Interests.*—Before the war British investment in Burma was substantial, at a guess I should say of the order of £200–250 million. The Burmese have never showed much aptitude or liking for commerce, industry and finance. British firms occupied a dominating position in Burma's economy, far more so than in India. A very great deal of their assets was destroyed during the war, but a great deal remains, not least

the skill and experience of their staffs. The main British interests were:—

(a) *Import and Export Trade*.—Centred in Rangoon, British interests were almost entirely wholesale, although there were a few large European stores in Rangoon with branches in the districts; almost all retail trade was Indian or Chinese. Burmans dealt only in petty bazaar selling, though there were a few large Burmese businesses. Recently Japanese and Indian firms were taking a good deal of the lower-priced import market, and Indians will certainly play a big part in future. British firms will probably continue to handle a large volume of imports of machinery and of better-class consumer goods. There may be some American competition in this field. Export trade was mainly rice (about half of the whole by value), teak, petroleum products, base metals, oilseeds, cotton, vegetables, &c. At one time almost all export was handled by British firms; recently, however, Indian and Chinese firms have entered the field, particularly in rice, where India has bought more and more of the crop. Teak, petroleum and metals remain largely British. Ninety-five per cent. of the export and import trade passed through Rangoon; there were small exports of rice from Akyab and Bassein and of rice and timber from Moulmein.

(b) *Mines and Minerals*.—The oil-fields (Chauk and Yenangyaung, with small fields at Lanywa and Yenangyat in the same area. Indaw on the Upper Chindwin, Minbu, Yenamma and Pyaye, north of Prome) were all British, except for one small Indian company. They were all destroyed in 1942.

The Burma Corporation lead-silver mine at Namtu (Northern Shan States) was badly smashed during the war and was in any case showing signs of exhaustion. It used to employ over a hundred Europeans.

The Mawchi Mines, in the Karenni Hills east of Toungoo, the biggest single source of wolfram in the world, were also destroyed in 1942.

There were numerous small British and indigenous tin mining companies in Tavoy and Mergui districts in the south of Burma.

(c) *Other Industrial Interests*.—A British firm had a large cement works at Thayetmyo; the same firm had oil-seed pressing and cotton spinning mills at Myingyan and Allanmyo. Another British firm had a sugar factory at Sahmaw near

Myitkyina; all these were destroyed during the war.

(d) *Transport*.—The railways are State-owned. The Irrawaddy Flotilla had a fleet of over 600 craft and was an extremely profitable British concern with a practical monopoly of power transport on the Irrawaddy and Salween. It was wiped out during the war and is now being built up again. The Rangoon and Mandalay Tramways and Electric Supply Companies were British. The Arakan Flotilla, which provided water transport in the creeks of Arakan, belonged to the British Indian S.N. Company, a P. and O. subsidiary.

(e) *Timber*.—The enormous teak forests of Burma were exploited almost entirely by five big British firms. A few small indigenous firms did little more than sweep up the leavings of the big companies. The teak forests were scattered widely through the country, on the western slopes of the Arakan Yomas, the Upper Chindwin, the Pegu Yomas, the Mu and Uyu valleys, the Upper Irrawaddy (Katha, Bhamo and Myitkyina) and the Salween. There is little or no teak in Arakan or Tenasserim. In future there is little doubt that the Burmese Government will endeavour to Burmanise this industry as far as they can, but the existing forest contracts have in most cases fifteen years or more to run.

(f) *Plantations, &c.*—There were a number of small British rubber plantations in Tenasserim; tea and tung oil in the Shan States.

(g) *Financial*.—The bulk of the banking and insurance brokerage, &c., was done by British firms in Rangoon, though Indian firms took an increasing part. There was one small British land-mortgage bank at Pyapon.

(h) *Shipping*.—Two British lines, Henderson and Bibby, depended largely on the passenger and cargo trade with Burma. Coastal traffic was largely carried by British India steamers, in increasing competition with Scindia and other Indian lines.

6. *European British Subjects* (including Anglo-Burmans with European British father or grandfather) numbered 30,000-odd in 1931; of these about 6,000 were pure British, including about 2,000 soldiers and 600 officials. They were concentrated in a few areas—Rangoon, Mandalay-Maymyo, Chauk-Yenangyaung, Namtu and Mawchi. The Anglo-Burmans lived almost entirely in the major towns. Outside these places

there were very few Europeans or Anglo-Burmans.

7. *British Economic Interests at Present and in Future.*—Since 1945 the various firms concerned have been working hard to rehabilitate their businesses, the physical assets of which were mostly destroyed during the war. This process of rehabilitation has been hampered by the normal difficulties of the post-war world, the strikes and disorders in Burma, and the continued failure to agree over compensation for properties—particularly oil-fields and mines—destroyed in 1942 under Government orders. Neither His Majesty's Government nor the Government of Burma will accept responsibility for payment. There have, of course, been loud cries from the Burmans demanding Burmanisation of industry and commerce, but not much sign of any Burmans doing anything active about it. If, however, Burma wants to recover anything remotely approaching her pre-war economic standards, she will have to retain British personnel, and British capital too, as she has none of her own. It will be many years before she has sufficient trained men and the capital to do without foreign aid—if she ever succeeds in getting so far. The alternative to British exploitation of mines, transport, &c., is not Burmese exploitation but Indian and Chinese exploitation, of which the Burmans are mortally afraid. What they long for at the bottom of their hearts is to be left alone to till their fields and live a simple Arcadian existence apart from the world. But Burma's economic riches are now well known, and such an economic vacuum is impossible nowadays; we no longer live in the 13th century. While it is impossible to see very far ahead in the present extremely confused and uncertain internal and external position, it seems likely that British interests will remain extensive and important; though they will not in future dominate so large an area of Burma's economy and finance as they did in the past.

8. *British Subjects in Future.*—The number of Europeans will be reduced by the departure of troops and of most of the officials. A considerable number of commercial employees will remain numbering, perhaps, with the remaining officials and Government advisers about 2,000. A few thousand of the Anglo-Burmans will wish to retain their British nationality; some of these may emigrate; but the bulk will—perhaps already have—resigned themselves to absorption into their mothers' people

now that their fathers' race has ceased to be—or to appear to be—an advantage to them. There will be no difficulty about this as there is in Burma almost none of the Indian bitterness against mixed blood. Most of the Indians will take Indian or Burmese citizenship; a few of the Chinese may claim Hong Kong or Malayan birth and so British citizenship; there cannot at the outside be more than a few hundreds. There will thus be a British community (in the narrow sense) of perhaps 5,000 to 10,000.

9. *Political and Strategic Interests.*—Although Burma has decided for reasons of national pride to leave the Commonwealth, Britain will retain a very special place in Burma as a result of her long and close association with the country and (we hope) the friendly and mutually satisfactory terms of the final transfer of power. Although there is bound to be some xenophobia in the first exuberant reactions of independence, the leaders see the need for outside alliances to assist their country to recover from the war and to avoid being sucked in by India or China. Long-standing good feeling between the countries, the wide permeation of British political ideas and education, British economic interests, and the fact that so many Britons know and like the country and people will all combine to keep the association a close one. Burma will have to lean heavily for some time on British experience and advice in international affairs (United Nations, diplomatic representation, and so forth). As Burma finds her feet she will perhaps need our help less, but by that time she will, we hope, have settled into a position of instinctive friendship.

10. Apart from prestige and the profits of trade, it must be admitted that Burma has not much to offer Britain in return. We need her teak and wolfram; her rice and oil go mainly to India and South-East Asia. Now that Britain no longer has to defend India, the country is a strategic backwater; if Britain lost her position in Burma completely, it would weaken her political and strategic standing in South-East Asia, but not completely undermine it. Reporting, except ordinary commercial reporting, will not be of great importance. Britain should, however, not entirely lose touch with developments in the Yunnan-North Burma-East Tibet-Assam area. Separatist movements in Yunnan, Chinese irredentist designs on North Burma, Chinese endeavours to assert "suzerainty"

in Tibet, restlessness among the hill tribes of the area whom the war suddenly hurled from the late bronze age into the 20th century, all suggest that there may be violent changes in the near future which may react on British economic interests in Burma and Assam. This area was unified under a great empire once before in history (the Thai empire of the 14th century A.D.). If it is not worth establishing a post at Bhamo (there was an English "factory" there in the 17th century), an officer from Maymyo should tour up in this area, at least to Bhamo and Myitkyma. The Burmese would, in any case, be reluctant to allow us to establish a post in this area, as the Chinese would want to follow suit, and the Chinese demand to establish representation in this area has hitherto been resisted on security grounds.

11. *Localities of Representation.*—I have suggested Maymyo instead of Mandalay for the Upper Burma career consul as it is much pleasanter, being 3,500 ft. above sea-level, within easy reach of Mandalay (42 miles), and could perhaps serve as a sanatorium for Rangoon, which has a hot, damp and extremely relaxing climate. Further, Mandalay was much more badly damaged during the war than Maymyo; the Government of Burma in the old days used to move to Maymyo during the hot weather, and a British battalion had cantonments there. I think it is much more likely that suitable accommodation for a consul could be found in Maymyo than Mandalay. He would need the assistance of two career vice-consuls (one Branch A and one Branch B), who would have to do a good deal of travelling in order to keep in touch with the oil, mineral and timber centres enumerated in paragraph 13—which are extremely isolated—and to guide and supervise the consular agents, particularly in the initial stages.

12. *Lower Burma* (Rangoon District).—In addition to a consul-general (Grade VI) and a commercial counsellor (Grade VI) it would be necessary to have at Rangoon a career consul (Grade VII) and at least two vice-consuls (one A/VIII or IX, and one B). As in the case of Upper Burma they would have to visit from time to time the following important centres, where there would also be consular agents:—

(a) *Akyab.*—There were formerly a number of British rice-firms, exporting mainly to India, the headquarters of the Arakan Flotilla (a water-transport company

working in the Arakan creeks and owned by the B.I.S.N. Company), and B.O.A.C. The rice and water-transport interests will probably be Indian in future; but Akyab aerodrome and harbour are important. Akyab is one of the two subsidiary aerodromes which the R.A.F. hopes to keep, and B.O.A.C. is interested in the harbour as a stage—I think now mainly an emergency stage—on its Far Eastern and Australian routes. I suggest that the B.O.A.C. representative, as a quasi-Government employee, would probably be suitable for appointment as a consular agent. There is no communication between Rangoon and Akyab except by sea (about two days: formerly twice weekly), or air (a few hours: frequency of service unknown).

(b) *Bassein.*—There were formerly large British rice interests here. It is 180 miles from Rangoon by water (24 hours, twice weekly, formerly 16 hours, daily). There is an airstrip. The population is largely Karen. I very much doubt if even honorary representation is necessary here, but it should be visited from Rangoon.

(c) *Moulmein.*—Formerly considerable British rice and timber interests, and a resident European and near-European community. About 24 hours from Rangoon by road and rail. Here also the need for even honorary representation is doubtful, provided it is visited fairly frequently.

(d) *Mergui.*—400 miles south of Rangoon on the Tenasserim Coast. There are a fair number of British rubber plantations, tin mines and other small enterprises in Tenasserim, and there is an important airstrip in which the R.A.F. are interested: it is vital for staging purposes for fighter planes. It is a long way from Rangoon, and hard to visit. An honorary representative, if a suitable man is available, would be very useful.

(e) *Mawchi.*—This is simply the big British wolfram mine in the Hills east of Toungoo. It is in Karenni, the semi-autonomous Karen hill-states, which will become an autonomous unit of the Union of Burma when power is transferred. It is a long day's drive by road from Rangoon. It might be useful to make the company's local manager an honorary representative.

13. *Upper Burma* (Maymyo District)

(a) *Chauk* (oil-fields).—There will probably be a considerable European population in this area, which is about 190 miles by road from Maymyo (the road is not

always open in the rains). The B.O.C. is the largest company, but unless there is some kind of agreement between the companies it may be invidious to appoint an honorary representative from the staff of a company. At the same time there will probably be a good deal of work. It may be necessary to post a career vice-consul here.

(b) *Namtu*, north-east of Lashio in the Northern Shan States.—The Burma Corporation's great lead-silver mine, which also produces gold and other metals. There will probably be a fairly large European community, and it will be useful (as at Mawchi) to have one of the company's staff as an honorary representative. He could do some most useful reporting work, as many of the mine coolies used to come from over the Chinese border.

(c) *Bhamo*.—There are no real British interests here, except scattered forest-workings, but for the reason I have given in paragraph 10 a career vice-consul might be stationed here.

(d) *Kalaw*.—At this hill-station (5,000 feet) and Taunggyi, the capital of the Shan States, there has always been a small resident European and Anglo-Burman community. It might be useful to appoint one of them—perhaps a retired official—as a consular agent.

PETER MURRAY.

*Foreign Office, South-East
Asia Department,
14th October, 1947.*

F 1123/17/79

No. 2

BURMESE INDEPENDENCE

Celebrations on the Transfer of Power

Mr. Bowker to Mr. Attlee. (Received 22nd January)

(No. 3)
Sir,

*Rangoon,
13th January, 1948*

It was symbolic of the manner in which the transfer of power has taken place in Burma and of the recent celebrations, that the signal for the birth of the new republic should have been the firing of a salvo of guns from H.M.S. *Birmingham*, which had arrived in Rangoon a few days before to carry away the last British Governor. The ceremonies and celebrations on 4th January were conducted in a spirit of calm and deep contentment and, as far as I know, were marred by no single incident of hostility towards Great Britain or foreigners in general. Some of the visiting envoys remarked on the apparent lack of enthusiasm in the crowds. This, I think, may be explained, first, by the fact that Burmese crowds, on the whole, are not given to outward and visible signs of emotion unless they happen to be shouting against something and, secondly, because Burma has virtually been governing herself for the last few months, and the public have thus been accustomed gradually to the idea of independence.

2. The ceremonies on 4th January were impressive and dignified and accompanied by much less confusion than had been

anticipated. It is true that invitations generally turned up at the last moment, and it was difficult to get precise information beforehand on points of detail. But, in the end, places were duly reserved for the important personages, and name cards were put in the right seats. The Foreign Minister apologised to me a few days before the ceremonies, saying he feared that the organisation was very bad. But, he pointed out, his Ministry, which was largely responsible for the arrangements, was entirely untrained in matters of protocol, and was being called on to run long before it had learnt to walk. On various points of procedure he asked my advice, particularly on what order of precedence to give the foreign envoys. I suggested that they should be put in the alphabetical order of their countries, and this arrangement was adopted with, I think, no offence being given in any quarter. Last moment invitations were addressed to certain countries to send special envoys, regardless of the fact that no adequate arrangements had been made for accommodating or transporting them. Moreover, identically worded invitations were sent to Holland and Indonesia, as well as to France and Viet Nam. As soon as the invitations were issued, the Dutch Consul-General ex-

pressed concern, and the Government knew they had made a mistake. The Foreign Minister asked me what I thought could be done to get over the difficulty, and I suggested that if the attendance of an Indonesian representative was now inevitable, he should be regarded as the personal representative of his Government, and in any case not included in the alphabetical order of the other special envoys. In the event, the Indonesian was treated as a special envoy, but seated after all the rest. But at the State luncheon given by the Government to the foreign envoys on 7th January, the Viet Nam representative was invited to speak after the Right Hon. Arthur Henderson's reply to the toast to the guests, without any warning or similar invitation being given to the French envoy. The latter bore his embarrassment with extreme good humour, but has asked me as doyen of the Diplomatic Corps to take an opportunity of pointing out tactfully to the Foreign Minister that such behaviour is, in fact, a rather serious deviation from ordinary diplomatic usage. Such lapses, I am sure, are the result of inexperience and the tendency of the Burmese, one of the most naturally democratic people in the world, towards informality, rather than of any intention to offend. I dare say that further instances of the same sort will arise in the future. Nevertheless, the present Government are genuinely anxious to show good manners and the Prime Minister and Foreign Minister are ready to be prompted.

3. The United States were represented during the celebrations by their ambassador at Bangkok, Mr. Stanton, who was accompanied by his service attachés. China was represented by Dr. Yeh, the Vice-Minister for Foreign Affairs, India by Dr. Prasad, Pakistan by the Foreign Minister, Sir Zafrullah Khan and Ceylon by Mr. Bandaranaike, Minister of Health and Local Government. France, Australia, Siam and the Malay States also sent representatives. The Netherlands appointed their consul-general in Rangoon, now chargé d'affaires since the two countries have decided to exchange ministers, as special envoy for the occasion, and the New Zealand Government asked that I should represent them. It was a happy decision of His Majesty's Government to send as special envoy a senior Minister in the person of the Right Hon. Arthur Henderson. Mr. Henderson's visit was deeply appreciated by the Burmese Government, who went out of their way to

emphasise, through him, the special relations between Great Britain and Burma resulting from the transfer of power. At the State luncheon referred to above, Mr. Henderson was asked to reply to the toast to the foreign envoys. In proposing the toast, the Foreign Minister referred to Burma's independence as being an Anglo-Burmese triumph, and Mr. Henderson, in a speech which made a deep impression, emphasised that this was the first occasion on which a Great Power had voluntarily relinquished its hold over a subject territory, and that the manner in which the Anglo-Burmese Agreement had been reached should serve as an inspiring example to the world. As reported separately, Mr. Henderson took the opportunity of his visit to hand over to the Burmese Government the Rolls-Royce and Austin motor-cars presented to them by His Majesty's Government in the United Kingdom on the occasion of Burma's independence. These gifts gave great satisfaction. The following day, Mr. Henderson received from the Prime Minister and the Minister for Foreign Affairs gifts of ivory carvings from the Burmese Government for himself, yourself, Mr. Bevin, Sir Stafford Cripps, Lord Listowel and Sir Gilbert Laithwaite. Mr. Henderson also took occasion to visit the Shwe Dagon Pagoda and to lay a wreath on the coffins of the late Bodyoke and his murdered colleagues, whose embalmed bodies have now been placed in coffins of transparent glass.

4. The sooth-sayers, without whose advice few things of importance are undertaken in Burma, had originally fixed on 4 minutes before noon on 6th January as the auspicious moment for the transfer of power. The publication of these details raised such a controversy that further castings were necessary, with the result that time and date were changed to 4.20 on the morning of 4th January. And so it was in the "chill hour before the dawn," under a blaze of arc lamps, that the Provisional President, the Government, Members of the Constituent Assembly, Burmese officials and foreign representatives assembled in front of the Assembly building, and the Union Jack was lowered, to the accompaniment of the British National Anthem, and the flag of the new Union of Burma raised in its place. After this short ceremony the concourse moved into the Assembly building, where the Provisional President, the Sawbwa of Yawngghwe, dressed in a long white velvet coat embroidered with gold

stars and a ceremonial paso, formally assumed office and proclaimed the bringing into operation of the Constitution. After two minutes silence "in memory of those who died in the struggle for freedom" and the singing of the National Anthem, the Prime Minister took the oaths of office and secrecy and was invested with the seal of office. After a speech the Prime Minister then presented the members of the Provisional Government to the President, who administered the oaths and invested them with their seals of office. The scene then moved to the lawn in front of Government House where, after Sir Hubert Rance (now no longer Governor) and the Provisional President had inspected a mixed British and Burmese guard of honour, the Governor's personal flag was lowered and replaced by the President's standard. Sir Hubert and Lady Rance then left for the jetty, followed by a procession of cars containing members of the Government as well as Mr. Arthur Henderson, my wife and myself. During the leave-taking on the jetty I heard U Tin Tut say to Thakin Nu that "this was altogether too sad for him," and in the evening, at the reception given by the President, U Tin Tut told me that the pleasure of a memorable day had been spoilt for him by his personal regret at the departure of Sir Hubert and Lady Rance. In an almost unceasing series of functions during the last month occasion has been taken by every element of the community, both Burmese and foreign, to express their regard for the Governor and their gratitude for the work he and Lady Rance have done in Burma. The Burmese feel that Sir Hubert Rance tided them over more than one grave crisis during his term of office and, that, while he was carrying out a policy directed from London, nevertheless, they owe him personally a debt of gratitude for the tact, firmness and understanding with which he handled Anglo-Burman relationship, and few British Governors can have won such genuine affection from such an independent minded people.

5. At 10 o'clock the President drove in state to the opening of the Provisional Parliament. After he had withdrawn, the Speaker read the message of goodwill from His Majesty The King and the Prime Minister and a few other messages. There followed a debate on the Anglo-Burmese Treaty, in the course of which one of the Communist Deputies who spoke against the treaty was severely handled by the Deputy Prime Minister. The treaty was approved

without a division. The last formal function of the day took place at 3 o'clock in the afternoon in the former Government House, now occupied by the President, in which, after the Prime Minister had informed the President of the approval by the Provisional President of the Anglo-Burmese Treaty, the new Chief Justice of the Union, the Chief Justice of the High Court and the judges of the Supreme Court and the High Court were presented to the President and took the oath. At the end of this ceremony I presented to the President my letter of credence as His Majesty's Ambassador. I enclose a copy of my speech⁽¹⁾ and a translation⁽¹⁾ of the President's reply. After the President had left the hall, I exchanged with the Foreign Minister the ratification of the Anglo-Burmese Treaty and signed with the Minister of Defence the Jurisdiction Agreement. After this ceremony, and in another room, I was given an opportunity of presenting to the President the senior members of my staff. The same occasion was taken for formal presentation of foreign envoys. The long day of functions closed with a reception at the President's house, at which the guests were entertained on the lawn to a programme of Burmese music and dancing. During the three succeeding days, various functions were organised by the Government, including sports and boat races on the royal lakes. U Tin Tut took pains to tell me beforehand that the foreign envoys would be warmly welcomed to all these functions, but that at none of them would their attendance be in any way compulsory. The only formal functions were a luncheon at the President's house and the State luncheon at the Civic Hall.

6. And now Burma is settling down once more to work and to the job of implementing her independence. It would be an exaggeration to say that the path is smooth or clearly discernible for any long stretch ahead. The new association of Burmans and other races in the Union, ingeniously devised in the Constitution, has to be made a working arrangement; foreign communities, in spite of repeated assurances, are apprehensive; business elements are waiting to see how the nationalisation policy will be carried out. The Government, apart from re-gearing the administrative machine and establishing normal relations with foreign Powers, have to deal with the strong Communist opposition and an open revolt, not yet finally extinguished, in Arakan. Perhaps the most encouraging

(1) Not printed.

sign for the future has been the sense of responsibility and moderation which pervaded the recent celebrations. I enclose copies of the messages⁽¹⁾ issued to the people by the Provisional President and the Prime Minister. It will be seen that both messages contain a graceful tribute to the Power to which Burma owes her peacefully won independence, and with whom the present Government are genuinely anxious to maintain especially close relations. The Prime Minister's message, in addition, emphasises

the responsibilities which confront the new Republic and the magnitude of the task which lies ahead.

7. I am sending copies of this despatch to His Majesty's representatives at Nanking and Bangkok, the Special Commissioner for South-East Asia, and the United Kingdom High Commissioners at New Delhi and Karachi.

I have, &c.

JAMES BOWKER.

(1) Not printed.

F 2146/17/79

No. 3

BURMA: HISTORICAL BACKGROUND TO 1939

Ethnography

The distribution of the indigenous races in Burma corresponds roughly to the physiography of the country. Burma is, essentially, one of the great river-valleys of the Indochinese sub-continent; the rivers, notably the Mekong, the Salween and the Irrawaddy, flow roughly parallel to one another from north to south and are separated by mountains and plateaux. The valley of the Irrawaddy constitutes Burma Proper; the mountains on east, north and west, with the Indian Ocean littorals known as Arakan and Tenasserim, are appendages thereto. In effect the Irrawaddy valley is inhabited by the Burmese and the remaining areas by distinct races. The geographical distribution of races is accompanied by cultural and political differences.

2. The indigenous races derive from three main stream of immigrants, all of Mongoloid stock, viz. (1) the Tibeto-Burmans, (ii) the Mon-Khmer, and (iii) the Tai-Chinese.

(i) *Tibeto-Burmans*. — These include three groups, viz. the Burmese, the Chin-Kachins, and the Lolo.

The *Burmese* who to-day form some 66 per cent. of the total population of Burma appear to have moved from the north into the central reaches of the Irrawaddy valley in the first half of the ninth century A.D.; it is possible that their predecessors in this region, the Pyu, were of the same stock. An overspill of the Burmese entered Arakan to form the Arakanese sub-race.

The *Chins*, coming somewhat later, moved westwards into the hills bordering India; and the *Kachins* later still occupied

the head-waters of the Irrawaddy whence they are still seeping southwards along the river and into the Shan plateau on the east of Burma.

The *Lolo* appear to have descended the Mekong valley; small groups of them settled on the eastern fringe of Burma, but most of this race are found beyond the frontier.

From all these groups small sub-groups have hived off and have developed different languages and customs. Thus the Burmese group includes ethnographically the Maru, Lashi, Nung, etc., who are for practical purposes grouped with their Kachin neighbours; and the Chin-Kachin ethnic group includes for example the Naga head-hunters on the borders of Assam.

3.—(ii) *Mon-Khmer*. — These moved down the Mekong river; the main stream formed the ancient kingdom of Cambodia, while others fanned out westwards into the Shan plateau of Burma and into the Irrawaddy Delta, where they arrived shortly after the Burmese had occupied Central Burma. War with the Burmese ultimately destroyed most of them, and many of the remainder fled to Tenasserim when the British acquired that area. Known to the Burmese as Talaings, they are scarcely distinguishable to-day from the Burmese. Minor groups of this racial stream are the Wa, Palaung and other smaller tribes found in eastern Burma.

4.—(iii) *Tai-Chinese*. — These were the last of the great migrations; they came from Yunnan and passed southwards into Siam and westwards into Burma and Assam; their migration continued until well into the thirteenth century A.D. They formed

the kingdom of Siam and the Ahom kingdom of Assam; the names *Siam* and *Assam* are variants of the word *Shan* by which the Burmese call them. In Burma the majority of the Tai-Chinese settled in the eastern plateau where to-day are the Shan States of Burma, but small settlements of Shans are found scattered over northern Burma and to some extent also in Tenasserim. Minor groups of this stream are the Taungthus, Khun, etc., which are found in eastern Burma, and the Karens who have in the last hundred or more years moved from the hills into the Irrawaddy Delta where they have largely replaced the Talaings.

5. The complexity of the racial composition of Burma is indicated by the fact that over 150 different languages are recorded in the Census Reports.

6. There are considerable variations of culture amongst these numerous racial groups. The Burmese, Talaings and Shans are Buddhists: the remaining indigenous peoples are for the most part animists. Amongst Burmese males, 62 per cent. were returned as literate in the Census of 1931: amongst the other indigenous inhabitants only 30 per cent. Most of the hill peoples still lead their own lives in closely integrated communities on which the monetary economy of the outer world has impinged but little. These cultural and economic variations emphasise the racial distinction between the majority race, the Burmese, and the minorities; and they are reflected in the maintenance, at least till January 1948, of the ancient customary methods of government in the hills and in a considerable degree of mutual suspicion between the hill peoples and the plainsmen.

The Indigenous Kingdom

7. From the middle eleventh century the greater part of Burma was politically consolidated under the kings who had their capital at Pagan, in central Burma. The Pagan kingdom underwent the vicissitudes common to loosely organised states until in the later thirteenth century it collapsed before the invasion of Tatar armies, which took Pagan in 1287, and the contemporaneous advance of the Shan immigrants. Thereafter the country was divided into a number of petty states until in the mid sixteenth century the Burmese lord of Toungoo, Ta-bin-shwe-hti, again consolidated the kingdom. The Toungoo dynasty lasted till the early eighteenth century when the Talaings in the Delta reasserted their independence. Unity was again restored

by A-laung-pa-ya, who founded the last of the indigenous dynasties in 1753.

8. The weakness of his dynasty lay not only in the strain of insanity from which the family suffered, but still more in the lack of any accepted law of succession. Palace intrigues and revolutions marked the end of almost every reign and ultimately brought to the throne the least competent of the line, Thibaw, who finally led the kingdom to ruin.

Early European Contacts

9. Whether Marco Polo really came to the country with the Tatar armies of the thirteenth century is not certain, but casual Europeans visited Burma from the fifteenth century onwards. During the sixteenth century Portuguese mercenaries played a prominent part in the civil and foreign wars of the period, and in the seventeenth century Dutch, English and French East India Companies all at times had trading posts at Syriam, near the modern Rangoon. The European traders exported from Burma local produce such as ivory, stick-lac, raw cotton, silk and petroleum-oil, and imported fire-arms, cotton piece-goods, etc. They also did a good deal of ship-building with the local teak wood. The Portuguese adventurers brought chaplains with them who engaged in missionary work, and from the late seventeenth century French and Italian priests have worked in Burma.

The habitually disturbed state of the country was detrimental to trade and by the end of the seventeenth century all the "factories" had been withdrawn. Both French and English made further attempts in the eighteenth century, but their establishments were destroyed by A-laung-pa-ya, who suspected them of aiding the Talaings. The survivors of his attack on the French "factory" were taken into his service as gunners and their descendants still survive in villages in the Shwebo district. The acquisition of French artillery and expert gunners was one of the principal bases of the power of A-laung-pa-ya and his immediate successors.

The English Conquests

10. Burma was at this stage an expanding power. With the aid of the French artillery the Burmese extended their control over the independent kingdom of Arakan and into Assam, and were able to repel the efforts of the Chinese to establish some measure of authority over them. This expansion led to conflict with the English

East India Company, which was also an expanding power, and the upshot was the piecemeal annexation of the kingdom and its absorption into the world-economy which developed in the nineteenth century.

11. The conquest of Arakan in 1784-85, brought the Burmese kingdom into contiguity with the Company's territories. Arakan was continually disturbed by rebels who took refuge in Chittagong and used that district as a base, and Burmese troops in pursuit several times violated the frontier. Similar troubles occurred in Assam. The tendency of the Burmese to allow French privateers to use Burma ports added to the troubles. A series of official missions to the Burmese Court from 1795 onwards failed to solve these problems, and an attack on a British outpost on the Chittagong frontier finally led to war in 1824. By the Treaty of Yandabo of 1826 the Burmese Government abandoned its claims in Manipur and Assam, ceded Arakan and Tenasserim to the Company, and paid an indemnity of one crore (ten million) rupees.

12. For some time after the war a Residency was maintained at the capital, but as memories of 1826 faded Burmese self-confidence re-asserted itself and the Resident's position became intolerable; the Residency was withdrawn in 1840. Relations were also strained by friction on the Tenasserim frontier and by frequent complaints from British traders and seamen of ill-treatment at the port of Rangoon. An attack by Burmese batteries on a naval boat during the visit of a mission sent to Rangoon to settle these difficulties led to war in 1852. This resulted in the annexation of the Irrawaddy Delta and the country immediately to its north.

13. During the reign of King Mindon (1852-78) British relations with independent Burma were good, but the accession of Thibaw in 1878 by means of a palace revolution was followed by the massacre of his kinsmen who he feared might conspire against him; and his hostile attitude led again to the withdrawal of the Residency, which had been re-established in Mindon's time. Thibaw also attempted to obtain French protection against possible aggression by the British, and the prospect of the establishment of the French in Burma with only a parallel of latitude as a frontier was regarded by the British as dangerous to peace. In 1885 an arbitrary and unjustified fine levied by the impecunious Burmese government on the Bombay-Burmah Trad-

ing Corporation for an alleged breach of its agreement in respect of teak extraction provided grounds for intervention; the rejection of an ultimatum requiring Thibaw to agree to arbitration of this case and to the submission of his external relations to British control resulted in war and the annexation of the kingdom on the 1st January, 1886. Thibaw lived in exile in India till 1916. The overthrow of the kingdom had taken only a fortnight, but it took an army of 30,000 men five years to suppress the disorder which ensued on the collapse of the old régime.

British Administration

14. Arakan and Tenasserim were at first governed by Commissioners (in the case of Arakan subordinate to Calcutta and in the case of Tenasserim for a time subordinate to Penang which was then Company's territory) who adopted much the same organisation and system of law as their Burmese predecessors; but this led to abuses and gradually the system of administration and law was assimilated to that in use in the Indian provinces. The same policy of assimilation was adopted in the Delta after 1852 and in Upper Burma after 1885. In Lower Burma, which was sparsely populated, this probably did little harm, but Upper Burma suffered by the resultant destruction of a complex social-governmental system of organisation by functions and control by hereditary local rulers; this was replaced by an alien territorial and purely official system, with a consequent social malaise from which the country has never recovered. It must, however, be admitted that it would have been difficult for a British administration to have operated the indigenous system. The refusal to continue the support formerly given by the State to the authority of the *tha-tha-na-baing*, the head of the order of Buddhist monks, was also singularly unfortunate, for the effect has been a complete disappearance of discipline in the order without any diminution of its influence over the people; the disorderly *pongyi* has continued till today a menace to the well-being of the country. Formerly, moreover, the *pongyis* had exercised a great deal of influence in governmental affairs, and the church had on occasion been the road to advancement in the state; but the establishment of a purely secular state deprived the order of its former power and of its opportunities; hence the potent influence of the *pongyis* has, in too many cases, been

directed against the British. The extinction of the kingship was likewise unfortunate; in 1885 there was, of course, no lack of faith in the superiority of direct over indirect rule, but on a longer view the maintenance of the symbol of Burmese nationality and unity, under proper control, might have averted many troubles.

In the case of Lower Burma, the rapid development of the rice-lands in the last three decades of the nineteenth century brought into the Delta a new population, mainly from Upper Burma, which was free from the restraint of custom and was therefore inclined to be unruly and which, moreover, became involved in an unaccustomed monetary economy through whose operation it lost to the money-lenders much of the land which it had struggled to develop.

15. In 1862 the three Commissionerships of Arakan, Tenasserim and Pegu were combined into the Province of British Burma under a Chief Commissioner, and in 1886 Upper Burma was added to his charge. In 1897 the Chief Commissionership was elevated into a Lieutenant-Governorship.

16. So far a centralised and bureaucratic system had been maintained; Burma, as a province of the Indian Empire, had no system of self-government. All legislation was effected by the Governor-General-in-Council and in the executive sphere the Governor-General maintained a remarkably detailed control over the Chief Commissioner. In 1897 the first Legislative Council, comprising four officials and five non-officials, was set up, but all the members were nominated and its powers were negligible. In 1909, by the Morley-Minto Reforms, the Council was increased to seventeen members, of whom two were elected, one by the Burma Chamber of Commerce and one by the Rangoon Trades Association; both these electoral bodies were European organisations. In 1915 the dimensions of the Council were increased to thirty, without any augmentation of the elective element; and the Council remained little more than an advisory body to the Lieutenant-Governor.

Nationalism and Politics

17. Interest in politics in Burma may be said to have begun in 1908 with the formation of the Young Men's Buddhist Association, designed as an organisation for social service on the lines of the Y.M.C.A. Later this body became a political organisation. The political history of Burma from 1908

to 1939 falls into three periods, the first from 1908 to 1923, the second the period of Dyarchy from 1923 to 1937, and the third the period after 1937 when Burma enjoyed a system of government approaching Dominion Status.

18. For twenty years after the shock of the extinction of the kingship in 1886 nationalism lay dormant; interest was absorbed in adjustment to a new state of affairs and the Burman had, moreover, never been accustomed to self-government in any sense of the term. It was only with the spread of western education and a consequent diffusion of English nineteenth century liberal doctrine that ideas of nationalism and self-government appeared amongst a small class. From this class such ideas have in the last forty years gradually spread to the less educated and less vocal classes.

19. The development of nationalism was due partly to Indian example, though as in most matters Burma lagged behind India: the Indian National Congress was founded in 1885, the Young Men's Buddhist Association in 1908; Indian politics had become strongly nationalist about 1900, extreme nationalism did not develop in Burma till about 1919. Nationalists among the Indians resident in Burma gave the inspiration, but perhaps still more was due to growing resentment at the pressure of the Indian in the administration and economy of the country, where Indians played a very great part. Much was due also to the influence of the politically-minded among the monks, who thus found opportunity for the expression of their xenophobia against an alien government which had destroyed their power.

20. Curiously there was no desire to restore the monarchy; while acclaiming the days of the Kings as a golden age, the nationalists showed little respect for the survivors of the royal house and no wish to restore the monarchy. Among the peasantry, a *min-lauing* (pretender king) occasionally arises, but the political class are not interested; with them, western ideologies have prevailed. Nationalism is a form of reaction against westernisation, but it expresses itself through the adoption of western political thought.

21. In the first of the three periods, the demand was for the extension to Burma of the Montagu-Chelmsford reforms from which Burma, alone of the provinces of the Indian Empire, had been excluded. This agitation, led by the Y.M.B.A. and accom-

panied by boycotts of supporters of the government, students' strikes, etc., was successful, and in 1923 Dyarchy was introduced.

22. Under Dyarchy, the functions of government were shared between the central Government of India and the local Government of Burma; and the provincial functions were divided between those reserved for the Governor and those transferred to two Ministers responsible to a Legislative Council of whose 103 members 84 were elected. This Council had the final power of legislation in transferred subjects subject to the approval of the Governor. Thus parliamentary government was introduced into Burma. But the major functions of government such as defence, foreign affairs, communications, and law and order were either Central or Reserved subjects, and the major sources of revenue, namely, income-tax and customs dues, were retained by the centre. With so wide a field withheld from popular control, Council and Ministers could not develop a sense of responsibility, and further their departments were financially hamstrung.

23. Yet the growth of nationalism was stimulated by this establishment of even so slight a measure of popular government, and there soon arose a demand that all, and not merely some, of the functions of government should be withdrawn from India and concentrated in Burma. The demand for separation from India was further stimulated in the depression around 1930 by the competition of Indians in the labour market and the pressure of Indian money-lenders on the land.

24. In the third phase, under the Government of Burma Act 1935, Burma became a separate dependency of the Crown. All the former central functions of government were allocated to the Government of Burma and most of them, with all the provincial transferred functions and many of the reserved functions, came under the control of Legislature and Ministers. The Legislature became bicameral, with a purely elected House of Representatives chosen on a franchise which gave the vote to 20 per cent. of total population, as compared with over 70 per cent. in the United Kingdom; roughly every tax-payer, male or female, was enfranchised. The Senate was selected half by the Lower House, half by the Governor; social and property qualifications ensured that Senators should be of some standing. In the executive sphere, the English cabinet system was adopted.

25. Although the Governor had nominal power to overrule his Ministers in certain emergencies, in practice this power was inoperative, for to evoke it would involve a conflict with a Ministry having a majority in the Lower House and so might lead to a breakdown of the constitutional system. In effect, Burma enjoyed something closely approaching to Dominion Status, with the important exception that the Frontier Areas, inhabited by the hill peoples, remained outside popular control. Lagging behind Burma Proper in education and economy, they had from the first been excluded from the parliamentary system; and under the Act of 1935 a system of indirect rule through their chiefs and headmen was retained. The hills remained unaffected by the political agitations which disturbed the plains.

26. In Burma Proper this third phase saw a marked change in political thought; nineteenth-century liberalism tended to give way to twentieth-century communist and fascist ideologies, most markedly among the younger generation of the politically vocal class. The first elections under the Act of 1935 produced a radical change of personnel in the political scene; the extension of the franchise had the effect of sweeping away many of the older generation of political leaders, and replacing them by hitherto unknown men. The most active of these were the *Thakins*, the members of the *Do-ba-ma A-si-a-yon* (Burma National League), recruited largely from former students of the Rangoon University. The *Thakins*, of whom three secured seats in the Lower House, preached violent revolution as the only means of extinguishing alien control; many inclined towards Communism. They opposed every ministry and avowed complete independence for Burma as their aim. Other rising men, such as Dr. Ba Maw and U Saw, almost openly aspired to dictatorship.

27. The more sober elements at this stage aimed at nothing more than true Dominion Status; but their influence was weakened, as compared with that of the single-minded *Thakins*, by the lack of party stability. Burma tended to the multi-group system, in which there was little differentiation in policy between parties and each party was essentially the personal following of one of the several leaders. Parties easily divided and coalesced, and no Ministry was ever sure of its majority. The omission of the Governor to insist on the adoption of the English convention that normally

a dissolution accompanies a Ministry's loss of its majority made Members the more irresponsible; and Ministers could maintain their parties only by means of monetary considerations, to recoup which they had recourse to extensive corruption in their departmental administration.

28. Moreover, Burma produced no leader of the calibre of a Jawaharlal Nehru capable of evolving a true political programme and compelling unity among his followers.

29. The life of Ministries was thus precarious in the extreme. The first Ministry, formed by Dr. Ba Maw, fell in February 1939; the next, under U Pu, survived only till September 1940; the third, U Saw's, survived till the collapse of government in 1942; and even whilst it lasted, no Ministry could be certain of its majority.

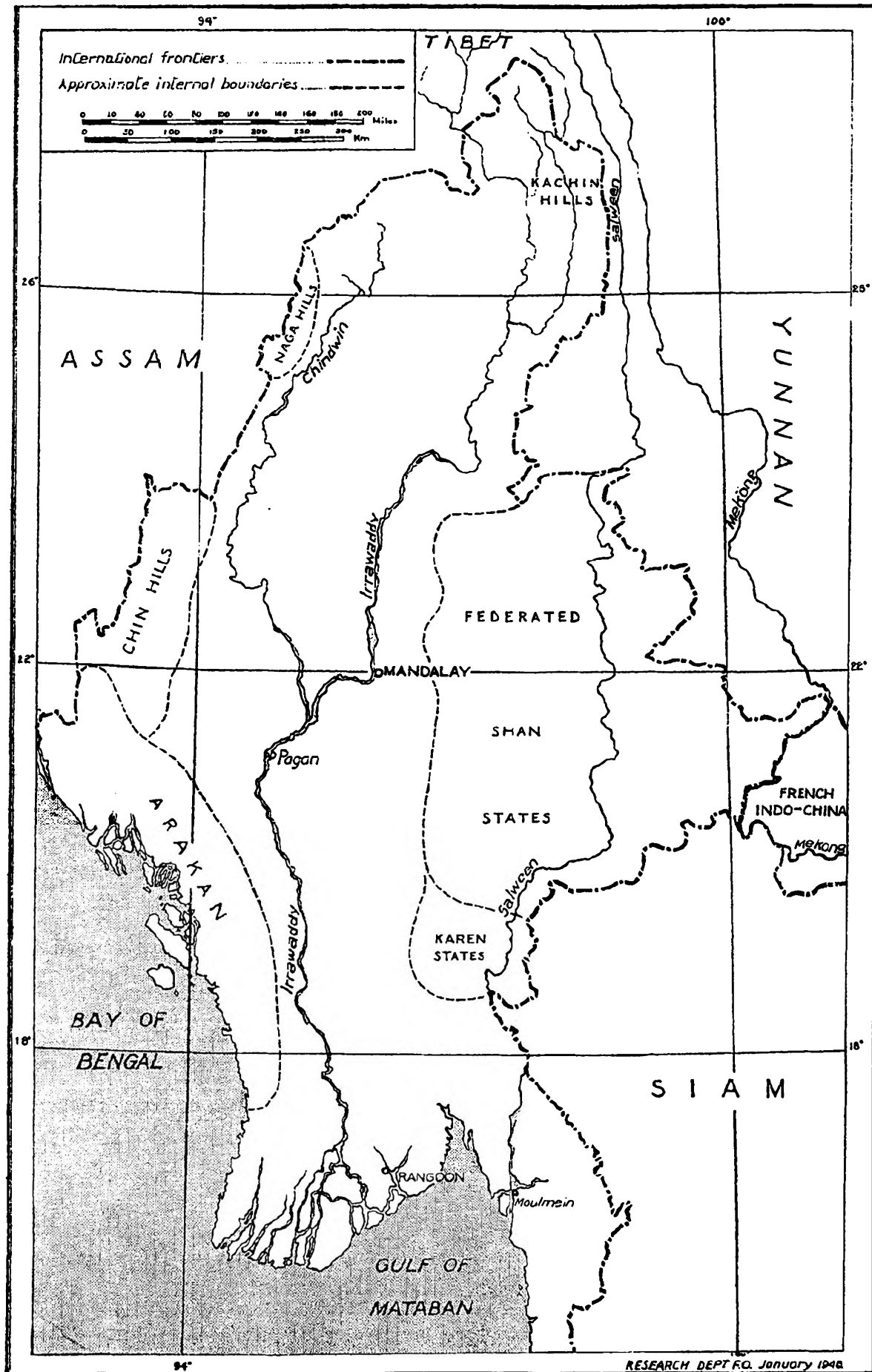
30. Nevertheless, there was no breakdown of constitutional government such as occurred in India, and the successive Ministries made a serious effort to grapple with fundamental problems such as agrarian reform, while the country's finances were managed with caution and good sense. Burma, moreover, had the advantage of being an egalitarian country, where distinctions of caste are unknown and distinctions of class hardly exist. Given time and more constructive guidance from the Governor than was at first forthcoming, the politicians of Burma might have settled down to a true conception of the parliamentary system.

31. The majority of politicians still aimed at a steady progress towards autonomy; no politician could afford to avow anything but complete self-government as his aim but for the most part these aspirations were expressed in a legitimate and constitutional manner, with autonomy within the British Empire as the object. Underneath, however, there was a stirring of unrest; stimulated by the *Thakins*, restiveness under alien control was growing. Political consciousness was developing rapidly, aided by the vernacular press which, in a country where literacy was so common, had a very wide circulation. The country's transition from an autocratic régime to parliamentary government had been effected within less than fifteen years, and so rapid a transformation necessarily produced a certain mental excitement which, given suitable conditions, might lead to a general demand for far more radical changes than had so far been seriously envisaged.

32. But in 1939 the prevailing trend appeared still to be towards evolution within the British Commonwealth of Nations; it required the upheaval of war and invasion to create the circumstances in which the only peaceful solution to the country's constitutional problem was complete independence.

Research Department, Foreign Office
2nd February, 1948.

BURMA



F 3048/106/79

No. 4

CONVERSATION WITH THE BURMESE AMBASSADOR

Mr. Bevin to Mr. Bowker (Rangoon)

(No. 33) *Foreign Office,*
Sir, *24th February, 1948*

The Burmese Ambassador paid his first visit to me to-day, 24th February. After conveying his formal respects, he informed me that the Soviet Government had recently agreed to exchange diplomatic representatives with Burma.

Burmese Nationalisation Policy

2. I then raised with him the question of the effect on British interests of the measures which the Burmese Government had taken to nationalise certain enterprises in Burma. I told him that although His Majesty's Government were not critical of the policy which the Burmese Government were pursuing in this matter, they were most anxious that the interests of British firms should not be prejudiced, and that long-standing trade connexions between the two countries should not be disturbed. Sir Maung Gye explained in reply that his Government were trying to follow the same policy regarding nationalisation as His

Majesty's Government had followed since the Labour Party came into power. Owing, however, to their lack of experience, they were likely to deviate in some respects from the methods which had been followed in the United Kingdom, and he thought that it would be extremely helpful if His Majesty's Government could give them some indication of the procedure which they had adopted in nationalising enterprises in the United Kingdom. I promised the Ambassador that we would try to help the Burmese Government in this matter.

3. Sir Maung Gye concluded by saying that, as an Ambassador, he was meeting many new problems with which he had not had to deal as High Commissioner, but that he was slowly beginning to establish himself. I told him that I was prepared to help him in any way I could, and that I wanted him to know that he could always turn to me for advice and assistance.

I am, &c.

ERNEST BEVIN.

F 4795/1371/79

No. 5

POLITICAL SITUATION IN BURMA

Communist-inspired Strikes

Mr. Bowker to Mr. Bevin. (Received 1st April)

(No. 80. Confidential) *Rangoon,*
Sir, *24th March, 1948*

In my telegram No. 249 I reported the present position as regards the Communist-inspired strikes in Burma, and the possibility that the situation might develop into a general strike, which would be aimed at paralysing the administration and producing either chaotic conditions favourable to Communist plans, or the resignation of the Government.

2. There is no doubt a growing feeling of dissatisfaction in the country directed against the present Government, and equally little doubt that the Communists are taking fullest advantage of it. The causes of this dissatisfaction are various. The Burmese are temperamentally "agin'

the Government," and the present Anti-Fascist People's Freedom League Government has, in spite of changes of Ministers, been in power since October 1946, which is a long time for a popular Government in Burma; there is some sense of anti-climax and fractiousness after the attainment of the long-sought independence; in the first flush of power A.F.P.F.L., particularly its Socialist component, made many enemies by its use of political patronage; many of the armed representatives of the Pyeethu Yebaw Ahpwe (P.Y.A., previously called P.Y.T.), who behave high-handedly in the country districts, have outlived their popularity as resistance heroes; the inexperience of the Government has led to irritating cases of inefficiency and maladministration;

the death of Aung San has deprived the league of its main hold on the imagination of the ignorant populace; the spirit of defiance of all authority, so successfully fostered by A.F.P.F.L. when in opposition, is not easily laid, and the extremists, who were keyed up to throw out the British by force, have still a feeling of frustration; the cost of living remains high in proportion to what it was before the war and to the increase in workers' and peasants' incomes; the alienation of most of the press by the Socialist riots (see my telegram No. 231) and the recent Government measures against certain newspapers are a serious tactical error since the popular press has influence out of all proportion to its merits; finally, the energetic and well-organised Communist Party is quick to fan every flicker of discontent and has increasingly stressed the propaganda line that A.F.P.F.L. are the lackeys of Great Britain and the protectors of British exploiters and capitalists.

3. The only organised Opposition party capable of forming any sort of Government is the Communist, which is undoubtedly growing in popularity, particularly among the peasants, to whom it promises the possession of their own land without payment of rent or tax. But there is another possibility. The P.Y.A. constituent of A.F.P.F.L., who differ little in policy from the Socialist constituent, but have always felt that they have not had their fair share of office and power, may exploit the present unpopularity against the Socialists to emerge as the dominant party, or else may break away from the coalition and, with the help of their majority in the Burmese Parliament, form a P.Y.A. Government. There is already a tendency for discontented elements to appeal to the P.Y.A. against the Socialists. The All-Burma Youth League, which has only a few seats in Parliament, but is not without influence in the country, is likely to follow the lead of the P.Y.A. There is, however, no danger of the P.Y.A. going into coalition with the Communists, and it is rumoured that the real reason why Bo Thein Swe, the ex-P.Y.A. sponsor of the so-called Aung San League, has been frozen out of the P.Y.A. is because he is suspected of being a pro-Communist.

4. There is a long-term possibility that the Burmese *intelligentsia* and *bourgeoisie*, particularly ex-Government servants and landlords, who are much disturbed by the sweeping nature of the A.F.P.F.L.'s agrarian reforms, may organise themselves under some such leader as Dr. Ba Maw and

emerge as a political party, possibly with backing from Burmese monks. This is unlikely in the near future, but may occur in time for the election. Such a party might emerge strong enough to hold the balance between A.F.P.F.L. and the Communists.

5. On the other side of the picture there are a number of factors operating in the Government's favour. Thakin Nu is still generally trusted and while he is in power it is unlikely (though not impossible) that A.F.P.F.L. will split; his deputy, Bo Let Ya, is also in favour of unity; the A.F.P.F.L. parties have an overwhelming majority in the Burmese Parliament and cannot be turned out by any Opposition party by constitutional means until the general election, now announced to take place in March 1949; in spite of the known existence of Communist cells in their ranks (against which a purge is expected) the police and armed forces are likely to be sufficiently loyal to the Government to suppress any armed revolution of the Communists; the possibility of strikes and popular demonstrations remains, but in this matter time is on the side of the Government; since there has been an excellent harvest and the price of paddy is high, there is, in spite of the high cost of living, no really severe economic distress as a basis for agitation; the A.F.P.F.L. have a country-wide popular organisation of their own, and are reluctant to give up power, so may be expected to fight stubbornly against efforts to dislodge them, and they may well, in an emergency, take very drastic measures against the Communists. A Communist failure now might seriously prejudice Communist chances in the 1949 elections.

6. I do not think that the possible present flare-up of popular feeling against the Government, which has a "seasonal" element, is deep-rooted enough to endure if the Government can maintain their position until the rains, when the peasants must return to their fields and mass demonstrations are, to say the least, uncomfortable. Up to the present the Government have refrained from taking strong measures. Some of the European staff of the Bombay Burmah Trading Corporation were told by the police yesterday that they could deal with the crowd in three minutes if only they could be given the order to act. The Government seem to be feeling their way cautiously to see how the situation develops, in order to avoid any action on their part which might precipitate a crisis. It may

be, also, that they are awaiting the outcome of the All-Burma Peasant Congress, which is now taking place at Pyinmana and providing an opportunity for the hotheads to let off steam. Perhaps, too, they are hoping not to be forced to take action during the present session of the Constituent Assembly. They must appreciate that if, as seems likely, the Communists are determined to provoke a crisis, the longer stern measures on the part of the Government are postponed, the more extensive they will have to be. Moreover, a determined challenge by the Communists has so long been a probability that the Government must have planned counter-measures, and are not likely to have been taken by surprise. An unexpected factor in the situation, as mentioned to me by the Minister for Foreign Affairs last night, is that the present visit of the mission from

Ceylon with the relics of Buddha's disciples is already distracting a certain amount of popular interest from internal affairs. After resting for three days at the Shwe Dagon Pagoda in Rangoon the relics are being taken to Bassein, Moulmein and Mandalay, and are certain to evoke a widespread interest and appeal.

7. In reviewing possible developments, account must be taken of the inevitable danger that, in order to strengthen their political position, A.F.P.F.L. may find it necessary to demand excessive concessions from the British firms in which labour troubles take place, and to accelerate the pace of nationalisation.

8. I am sending a copy of this despatch to His Majesty's Special Commissioner in Singapore.

I have, &c.

JAMES BOWKER.

F 5540/17/79

No. 6

CONVERSATION WITH THE BURMESE AMBASSADOR

Anti-Communist and Nationalisation Measures in Burma

Mr. Bevin to Mr. Bowker (Rangoon)

(No. 76)

*Foreign Office,
14th April, 1948*

Sir,

The Burmese Ambassador called on me this morning and told me that he had been instructed by his Government to explain to me the seriousness of the situation in Burma and to ask for the assistance of His Majesty's Government in the United Kingdom in supplying certain military equipment and aircraft which were needed to make a display of force and forestall any possibility of a Communist outbreak. I told him that instructions had been sent to Singapore for three Spitfires to be flown to Rangoon as early as possible, and that we would certainly do our best to supply the Burmese Government with their other requirements as soon as we were certain what they needed. I have given instructions for this to be followed up immediately.

2. I then asked the Ambassador what was happening over nationalisation in Burma. He said that the Burmese Government were handicapped by their lack of

experience and asked if it would be possible for the British Council to invite a number of leading Burmese who were concerned with the nationalisation policy in Burma to come to England to study the procedure which had been followed in the United Kingdom. I agreed that this was a good idea, and that if it was inappropriate for the British Council to make the invitation I could do so myself. I also suggested that it might be valuable to the Burmese Government if a British civil servant with experience of nationalisation here could go to Rangoon to assist and advise the Burmese Government, and if the Burmese Government so desired I would endeavour to arrange this. I foresaw considerable dangers if nationalisation were pushed ahead too fast and resulted in failures which would affect the welfare of the Burmese people.

I am, &c.

ERNEST BEVIN.

MESSAGE AND STATEMENT ISSUED BY THAKIN NU

Programme of United Leftist Party

Mr. Bowker to Mr. Bevin. (Received 2nd June)

(No. 178. Confidential)

*Rangoon,*Sir, *26th May, 1948.*

I have the honour, with reference to my telegram, No. 424, to send you the enclosed English version of a message⁽¹⁾ issued yesterday by Thakin Nu declaring his determination to resign the premiership on 20th July and to concentrate on his work as President of the Anti-Fascist Peoples' Freedom League, which he feels to be in need of drastic reform and consolidation. He says that he has received many appeals to reconsider this decision but that it is in compliance with a religious vow he has made about which he will say more on the day of his resignation.

2. It is possible that, unburdened by the many formal and routine duties of the premiership, Thakin Nu may be able to exert an even greater influence on the political life of the country than he has done as Premier. This was the view which he himself expressed when he told me three months ago of his persistent determination to give up the premiership, as reported in my despatch No. 39 (1159/1/48). On the basis of his statements and behaviour in the past year, this would be a comforting thought, if it were not for the astonishing statement which he issued at the same time as his message. This statement, on the subject of Leftist Unity, the English version of which is also enclosed, calls for the dissolution of the Socialist party and the P.Y.A., and the formation of a united Leftist Party to include these parties and other Leftists, even Communists now engaged in the insurrection, if they admit the error of their ways. He recommends that a Leftist committee should be formed to carry out this object, to which in itself it might be difficult to see objection. But this proposal is harnessed to a programme which he has taken over virtually word for word from the manifesto issued by the ex-Communist leader Thein Pe, which I reported in my despatch No. 157, and which contains proposals for a number of drastic reforms and some other measures, *e.g.*, regarding the treatment of compensation

and appears to come out wholeheartedly in support of the Marxist-Leninist creed.

3. I called on the Minister for Foreign Affairs this morning and asked him if he could give me some explanation of the statement, both as regards its scope and its authority. The Minister said that while he had known that the thoughts contained in the statement were in the mind of the Prime Minister, he had not known that the statement was to be issued to-day. It was clear that he had not been consulted, or kept informed. He said that the statement was made by the Prime Minister as President of the A.F.P.F.L.; that it would be submitted to the component parts of the League, in the first place the Socialists and P.V.O., and, if accepted by them, would no doubt be taken as the programme of the new Government which would be formed when Thakin Nu resigned.

4. I said that, as far as I could see, the statement was based largely on U Thein Pe's recent manifesto and was a wholesale acceptance of communism. The Minister replied that it was an acceptance of Communist ideals, while rejecting the adoption of violence. I said that the statement, with its insistence on the writings of Marx, Engels, Lenin, Tito, &c., whose doctrines, incidentally, rested on the inevitability and, necessity, of violence, gave the impression of being a complete re-orientation of policy—a turning away from Burma's present friends towards another direction. I wondered if this would not inevitably have some effect on the relations between our two countries.

5. Apart from this, I continued, the statement contained a definite affirmation of the principle of nationalisation first and compensation afterwards. Under the Anglo-Burmese Treaty, signed by the Prime Minister himself, Burma undertook to provide equitable compensation to British interests which might be nationalised. As I had more than once told the Minister, His Majesty's Government had always assumed that this meant acceptance of the established principle of previous agreement on compensation. The reference

⁽¹⁾ Not printed.

to compensation in Thakin Nu's statement seemed to me to be directly contrary to Burma's obligations under the treaty, and I requested the Minister to make known my concern on this point to the Burmese Government.

6. It is too early yet to comment fully on the implications of this astonishing statement. I do not know, for instance, what practical effect item No. 5 in the programme, *i.e.*, "the refusal of any foreign aid of a kind which will compromise . . . the strategic independence of Burma," may have on the position of the British Services Mission. It will be seen, too, that the programme contemplates fundamental changes in local administration, and it is questionable whether it will be possible to carry this out without producing administrative chaos. A good deal remains to be done before the programme can be put into effect. In general, the main cause for concern seems to me to be the apparent acceptance of Russian communism as Burma's guiding principle in future.

7. I told the Minister for Foreign Affairs that I would be grateful for any further information he could give me about the implications of the statement. He said that he would himself have to find out more about it since, he added with a wry smile, it might lead to his own elimination from the Government.

8. I am sending a copy of this despatch to the Commissioner-General for South East Asia.

I have, &c.,
JAMES BOWKER.

Enclosure in No. 7

When pondering over the problem of national unity, I wondered what programme was appropriate and feasible for the welfare of the masses of the people of the Burma Union in the circumstances of the present day, in what way the united strength of Leftism in the country could achieve that programme, and how the unity of the whole people could be built round that Leftist unity. I pondered on these and on other points, bearing in mind always that Leftist unity is not to take the place of national unity but should be the keystone of the arch of national unity.

The Programme

The chief factor in the problem of unity, I felt, is the determination of a programme,

and I perceived that the following should be the maximum and minimum programme of Leftist unity.

(1) To secure political and economic relations with Soviet Russia and the democratic countries of Eastern Europe in the same way as we are now having these relations with Britain and the United States.

(2) To nationalise monopolising capitalist undertakings, and to administer the resulting national undertakings by partnership between the State and the workers, to secure a living wage, to limit the working day to eight hours, to ensure the right of association and the right to strike, and to institute old age pensions and other social benefits, the question of compensation to be considered only after these undertakings have been nationalised.

(3) The State to take into its own hands the export and the import trade, in fact all foreign trade.

(4) The transfer to Burma of the Currency Board now continued in London.

(5) The refusal of any foreign aid of a kind which will compromise the political, economic and the strategic independence of Burma.

(6) To transform the Army of the Union into a Peoples' Democratic Army, and to carry out the Defence programme in resolution 7 of the Second Congress of the A.F.P.F.L.

(7) To abolish private ownership of land and to distribute the land only among the tillers of the soil.

(8) To draw up a plan for the industrialisation of the country with a time-table and to begin work on it at once.

(9) To establish peoples' governments in the Frontier Areas.

(10) To transform the present bureaucratic machinery of administration into a democratic machinery.

(11) To abolish all repressive laws.

(12) To unite in a counter-attack against the attacks which are being launched by capitalists against the standard of living and the privileges of workers, to make wages commensurate with the high cost of living and to protect the privileges of employees of Government together with the privileges of other workers.

(13) To unite with and to assist poor town dwellers and oppressed members of the middle classes in securing a reduction of house rents and house taxes, in the securing of house sites, in the formation of co-operative societies and in the destruction of black markets.

(14) The Leftist organisations to secure the assistance of the State, to take the lead and to work with other organisations in the cause of compulsory education, of physical health and of culture.

(15) To form a league for the propagation of Marxist Doctrine, composed of Socialists, Communists, Pyithu Yebaws and others who lean towards Marxism, and to read, discuss and propagate the writings of Marx, Engels, Lenin, Stalin, Mosetone, Tito, Dimitrov and other apostles of Marxism.

Organisation

(1) The programme set out above is not the programme only of the Leftists who form the vanguard of the nation, but should be the programme of all the peoples of the Union. Steps must be taken therefore to make this the programme of the A.F.P.F.L., which being the organ of the democratic people, must be established on a firmer basis than ever.

(2) A Leftist Committee should be formed to carry out the following objectives: (a) To agitate, to organise and to fight to bring the programme into fruition. (b) To determine the steps for the formation of a single party of Leftists subscribing to the Marxist-Lenin creed, to draw up rules and to carry out all adjustments that may be found necessary. (c) To teach the Marxist-Lenin creed, to discuss its doctrines and to propagate them, &c.

The members of this committee should not be selected on the basis of parties but in accordance with their qualifications.

The Socialists to disband their party in order that a single party may result. The Pyithu Yebaw Aphwe to disband similarly for the same reason. U Thein Pe has already stated that he has no intention of forming a separate party of Communists who discountenance the insurrection.

This Leftist Committee must strive immediately to establish a united Leftist party.

In implementing the above decisions, I place my main reliance on the unity of the masses of the people.

I trust the Socialists, Pyithu Yebaws, Communists who discountenance the insurrection (including the Red Flag), and other forces of Leftism, will accept the above decisions in principle with united mind. If members of the Red Flag Communist Party and members of the Burma Communist Party, now indulging in the insurrection, make an honest confession of their errors, discard the method of internal war and seek participation in this task of unity, their applications will be accepted in the light of circumstances.

But let those who continue to organise insurrection within the country and those who seek to destroy national unity and Leftist unity beware! We shall fight and destroy them.

Let us go towards Left unity, the key-stone in the arch of national unity.

F 7962/359/79

No. 8

RELATIONS BETWEEN BURMA AND CHINA

The Political Relations of Burma and China

Communications between Burma and China necessarily cross difficult terrain and the connexion between the two countries has in consequence never been close, despite the racial affinity of the inhabitants. It has been far easier for Burma to communicate by sea with India than by land with China, as is shown by the powerful influence which India has had on Burmese culture over a period of many centuries in contrast to the feeble effect of Chinese culture; thus although the two countries have a basically common religion, yet the Hinayana Buddhism of Burma is distinct from the Mayahana Buddhism of China and has

been derived from the west and not from the east. Politically and economically Burma has long been more intimately linked with India than with China and the political relationship between Burma and China has never been satisfactorily defined.

2. The historical evidence on the subject is obscure and conflicting. In early days the principalities of Burma appear to have sent occasional missions bearing presents, usually to the ancient Kingdom of Nanchao (Yunnan) but sometimes to Peking, and such presents were recorded in Chinese annals as "tribute"; but there was no attempt on the Chinese part to impose any form of control over Burma until the

Tatar conquest of the later thirteenth century, after which the successor-States to the Burmese Kingdom of Pagan were definitely tributary to the Emperor of China and the rulers of these States were treated by the Chinese as governors on their behalf. The despatch of tribute continued for about three hundred years and then gradually ceased in the declining days of the Ming Dynasty.

3. Thereafter little official intercourse took place between the two countries till the later eighteenth century when on the conclusion of a period of frontier warfare the Burmese appear to have agreed in 1769 to an exchange of friendly missions, bearing presents, at intervals of ten years; this concession seems to have been represented to the Emperor Ch'ien Lung by his Ministers as an undertaking to pay tribute, but unfortunately no detailed record of the agreement is extant and there is no means of determining what obligations were in fact incurred by either party.

The Decennial Missions

4. There is evidence that missions were sent to China in 1787, 1795, 1811, 1820, 1830, 1833, 1834, and 1843, but whereas the Chinese claim that these missions were tributary the Burmese assert that on the contrary they were merely expressive of friendship between independent States and were normally sent only in response to prior missions bearing presents from China to Burma. The truth probably is that "in nearly every instance the Burmese embassies were preceded by bogus embassies purporting to be from the Emperor of China to the King of Burma but in reality got up to deceive both the Emperor and the King by the Yunnan officials" (Parker: *Burma with special reference to her relations with China*, Rangoon 1893, p. 94). More notable was the despatch by the Emperor in 1790 (or possibly 1792) of a seal of investiture to King Bodawpaya; there were some doubts at the Burmese court lest acceptance of this seal might not be construed as an admission of subordination, but the value of the gold in it was a decisive argument for retention, as the Chinese may well have foreseen. The attitude of the Burmese court clearly indicates that the kingdom did not at that time regard itself as tributary to China. Again in 1832 a Burmese Minister, in conversation with the British Resident at the court, referred to "the custom which prevails between Ava [*i.e.*, Burma] and China, that is that envoys should be sent to each other

with complimentary communications and gifts periodically or as often as there is any business of importance," thus clearly indicating that the missions were not expressive of a condition of dependence.

5. In the middle of the nineteenth century the Panthay (Muslim) rebellion in Yunnan cut Burma off from contact with China, but in 1874, when the rebellion had ended, a Burmese mission went to Yunnan with presents and a letter for transmission to Peking. The complete conflict of evidence is well illustrated by the respective versions of this letter as given in the Chinese and as given in the Burmese records; the former adopts the language of a vassal to his lord, the latter the language of an independent ruler to the ruler of a friendly State and, further, the Burmese version states that a prior mission had come from China whereas the Chinese version makes no reference to this. It is conceivable that the Burmese letter was deliberately edited by the Chinese Ministers for the benefit of the Emperor, though it might also be that the Burmese Ministers transmitted one letter by the mission and submitted another to the King for approval and record.

6. The point was not at the time of moment. The Chinese, whose policy was to surround their country with buffer-States forming a neutral belt between themselves and the outer world, certainly claimed a superiority of status to neighbouring kingdoms. In the cases of Annam, Siam, Korea and Nepal, as well as Burma, the Emperor regarded himself as the Elder Brother, the neighbouring ruler as the Younger Brother; some degree of respect was due from the latter to the former, and was probably willingly paid; if it were not paid in the practical form of gifts, the Emperor would feel that he was not being treated in a becoming manner; he would have lost face; but while the Emperor was recognised as enjoying a higher rank than neighbouring rulers, he had no control over them and no responsibility for their actions. When, however, this amorphous relationship, complicated by Chinese terminology which used the expression "tribute" to cover any gift from any foreign State, came in the nineteenth century to be translated into terms of Western international law, the practice of sending missions accompanied by presents which the Chinese recorded as "tribute" could easily be construed not as a courteous expression of respect but as an admission of a state of dependence.

7. The problem had lately arisen in the case of Siam, which had repudiated any obligation in 1882, and in the case of Annam where the French had solved it by force in 1884-85, when the British annexation of the remnants of the independent Kingdom of Burma took place on 1st January, 1886. The Chinese Government, having already lost much face over Annam only a few months before, endeavoured to take a stronger line in the case of Burma, and when the British military expedition against Mandalay was first undertaken in November 1885 the Chinese Foreign Ministry asserted that Burma was a tributary State and ordered the Governor of Yunnan to send commissioners advising the King of Burma to make concessions which should avert war; but the speed of the British operations forestalled this move.

8. Her Majesty's Government could find no satisfactory evidence on the subject of Sino-Burmese relations. It was known that the Chinese had not intervened on the occasion of either the Anglo-Burmese war of 1824 or that of 1852, but on the other hand at those periods no regular diplomatic relationship had been established between Great Britain and China, while Burma certainly figured in Chinese records as a tributary State. Against this, in Chinese practice any mission from any foreign State, including Great Britain itself, had been recorded as tributary, and the Burmese Ministers who were consulted after the annexation were emphatic that the missions had been reciprocal and had implied no condition of dependence.

9. It was felt necessary to make some concession for fear that the Chinese would stir up trouble in Burma, where there was already trouble enough, and although this alarm was much exaggerated, Sir Robert Hart, the Inspector-General of Chinese Customs, who had a great deal of influence in the discussions, was insistent that some nominal recognition of Chinese claims would avert much difficulty. He thought that the Chinese might even go to war rather than suffer the loss of face involved in the repudiation of their claim to tribute. Various expedients were considered, as that the Viceroy of India and the Emperor should regularly exchange missions, or that the Government of Burma and that of Yunnan should do so, or even that the Emperor be empowered to appoint the *Thathanabaing* (the head of the order of

Buddhist monks in Burma), who should then undertake the despatch of missions; but the former proposals were not acceptable to the Chinese and the last was vehemently opposed by leading Burmans who protested against such intervention on the part of the Mahayanist Chinese in Hinayana Burma and by British officers who foresaw the dangerous intrigues which would result.

10. A further complication was that a British commercial mission to Tibet was at this time in view and that the Chinese Government was strongly opposed to it. In the end a bargain was struck: the Chinese agreed to enter into a Convention recognising British authority in Burma on condition that the Tibet mission was abandoned.

11. Throughout the negotiations in 1886 the mainspring of British action appears to have been an exaggerated impression of the power of China and of the urgency of obtaining some sort of recognition which should deter the Chinese from causing trouble in Burma; and to attain this end a good deal was sacrificed. The prevailing feeling is illustrated by a conversation which Lord Dufferin had with Sir Charles Crosthwaite on the latter's appointment as Chief Commissioner of Burma in the same year: "The Viceroy spoke at length and with emphasis regarding our relations with China, which is looked upon as most important. We were face to face, he said, with a very powerful neighbour, who might greatly harass us if she or even her subordinate officers chose to worry us. . . . In the matter of the frontiers of Upper Burma, where they touched China, great care should be exercised. 'Feel you way,' he said, putting out his hand, 'and when you come against anything hard, draw back'" (Crosthwaite: *Pacification of Burma*, p. 21.).

12. The agreement arrived at under these conditions was embodied in the Convention of 24th July, 1886, of which the significant Articles read as follows:—

- (i) Inasmuch as it has been the practice of Burmah to send decennial missions to present articles of local produce, England agrees that the highest authority in Burmah shall send the customary decennial missions, the members of the missions to be of Burmese race.
- (ii) China agrees that, in all matters whatsoever appertaining to the

authority and rule which England is now exercising in Burmah, England shall be free to do whatever she deems fit and proper.

13. The Chinese Government thus secured its right to the decennial missions: the suggestion of an exchange of missions was dropped, and the only mission was to come from Burma with no reciprocal obligation on the Chinese. This article has commonly been construed in standard works of reference as an admission that China had a right to some expression of dependence on the part of Burma even although Burma had become part of the territories of the British Crown (see Morse: *International Relations of the Chinese Empire*, Vol. 11, p. 341; Gwen and Hall: *Outline History of China*, p. 221; Joseph: *Foreign Diplomacy in China*, p. 56). On the other hand, when the matter was under discussion again in 1893 the India Office decisively repudiated the term "tributary" which had been used in a letter on the subject from the legation in Peking to the Foreign Office; and Mr. (later Sir Nicholas) O'Connor who as chargé d'affaires in Peking had conducted the negotiations in 1886, stated in August 1893, that, "As I understood the question in 1886, Her Majesty's Government agreed to the continuance of the mission in pursuance of an ancient custom in order to prevent China 'losing face' upon the annexation of the Kingdom of Burmah to Her Majesty's dominions, to smooth the way for a convention by which China officially recognised the annexation, and under the belief, I believe entertained secretly on both sides, that in course of time it would fall into desuetude." He also stated that in a conversation with the Chinese Foreign Ministry on 13th January, 1886, he had "carefully explained to the Chinese Government that after the signature of the Convention the words 'tribute' and 'tributary letter' would be inapplicable and unsuitable terms"; on the other hand, in his record of this conversation dated 14th January, 1886, Mr. O'Connor noted that when the Foreign Minister asserted that the presents and letters were tributary in character, "Without entering into a discussion, I replied that, however this might be, I did not anticipate much difficulty on this score, as I thought it might be avoided by employing some phrase which would suit the circumstances of the case and be acceptable to both Governments." This would appear to suggest that it was

in fact left open to the Chinese to regard the mission as tributary.

14. The second article, in which the Chinese might seem to concede only *de facto* and not *de jure* authority on the part of the British in Burma, aroused some misgivings at the time, but Mr. O'Connor affirmed that the Chinese had at no time during the discussions "questioned the complete authority of England in Burmah." Nevertheless, a more explicit wording might have been more satisfactory.

15. At the time the interpretation which might be placed on these Articles seemed of little account, but to-day when Burma is establishing herself as an independent State and when some Chinese publicists—encouraged perhaps by Dr. Sun Yet Sen's assertion in his fourth lecture on Nationalism that Burma "formerly belonged to China"—urge the re-establishment of ancient Chinese claims over neighbouring territories, the fact that in 1886 Her Majesty's Government failed to secure an explicit renunciation of all Chinese claims may be a source of difficulty, for the Chinese might perhaps argue that Article 1 of the Convention acknowledged Burma as an integral part of the Chinese Empire and that Article 11 was an instrument of conveyance of a long lease. So, although it is improbable that a Chinese claim to suzerainty over Burma would bear examination in an international court to-day, especially in view of the failure of the Chinese to maintain their rights under the Convention of 1886 (see paragraph 18 below), it yet remains that the concession made in 1886 is liable to give colour to irredentist pretensions and thus to encourage any aggressive tendency that may develop.

16. A further concession was made in the Convention of 1894 relating to the frontier and the overland trade, which authorised Chinese vessels carrying goods coming from or going to China to navigate the Irrawaddy. This concession, which was never exercised, was abrogated when the extra-territorial rights of the British in China were abandoned in 1943.

17. The decennial mission was never sent. The Chinese Minister in London raised the question in 1892, and various expedients were once more considered, as that the mission should bear a semi-religious character, but this was precluded by the terms of the Convention, or that it be sent to Yunnan only, but this had already been rejected in 1886. The objections to sending any

mission at all were powerful, for whatever arguments might be advanced, the despatch of a mission would be construed, in China and perhaps in Burma, as placing Her Majesty's Government in a position of inferiority to that of China; as the Governor-General of India in Council observed, "No precautions we can take will prevent China from treating the mission as tributary." But the Chinese were insistent on their claims and the form and date of the mission continued under discussion till 1896.

18. In August of 1896 the obligation to send the mission was simply repudiated on the ground of "altered circumstances." This expression may have a reference to an argument already rejected by the Chinese, viz., that improved communications between Burma and China and the establishment of a Chinese Consulate in Rangoon would enable correspondence between the two Governments to be carried on in the normal manner without the necessity for sending missions which belonged to an age when regular diplomatic intercourse was not the practice and "when the relations between the Court of Ava and that of Peking essentially differed from those existing between the Government of the Emperor of China and that of Her Britannic Majesty under whose rule Burmah is now placed"; but the phrase "altered circumstances" perhaps indicates rather a realisation of the feebleness of China which the Japanese war of 1894-95 had so clearly revealed. The Chinese appear to have accepted this unilateral denunciation of Article 1 of the Convention without protest, doubtless realising their own impotence.

Frontier Problems

19. A series of frontier commissions since 1886 have defined the frontier between Burma and Yunnan as far north as latitude $23^{\circ} 35'$ but no demarcation has ever been agreed beyond that point. In general the British have claimed the watershed between the Salween and Irrawaddy valleys as the boundary (though conceding most of the Taron valley, tributary to the Irrawaddy, as Chinese) and have drawn the survey maps accordingly; whereas the Chinese have not admitted this claim and on occasion Chinese officers have appeared within the area claimed by the British: thus in 1912 a Chinese survey-party was expelled from the Hkamti Long area in the far north of Burma. In respect of the rival territorial claims history is no guide,

since neither the Kings of Burma nor the Governors of Yunnan had any control over this region.

20. To-day it is normal for Chinese maps to show most of the territory north of $25^{\circ} 35'$, as far as the Assam and Tibet borders, as within the Republic of China, some even including Myitkyina town. In 1947 a press report stated that an official of the Chinese Ministry of the Interior had publicly made this claim, and more than once recently press reports have appeared, the latest being dated January 1948, stating that the Chinese Government has despatched a survey-party to demarcate the frontier according to the Chinese maps.

21. A further problem lies in the area commonly called the Namwan Triangle which, under the boundary convention of 1897, was permanently leased to Great Britain in return for a rent of Rs. 1,000 a year for the purpose of building a road from Bhamo to Lashio. The importance of the Namwan Assigned Tract is indicated by the fact that in 1940 the road running through it was reconstructed to serve as an arm of the Burma Road into China. It may be noted that in May 1945 a Yunnanese detachment occupied the area and began to establish an administration there on the false grounds that the rent had not been paid; this force was evicted, but it is now possibly open to the Chinese to hold that the lease, made to Great Britain, has lapsed as from January 1948.

22. The Chinese, moreover, have never been satisfied with the Convention of 1897, which transferred to Burma the frontier post of Sima, north-east of Bhamo, and the State of Kokang, to the east of the Shan States of Burma; these areas had in the previous Convention of 1894 been specifically recognised as Chinese. China also has an interest in the Shan State of Kengtung, which is of importance as providing the easiest route from Yunnan into Siam; the argument may be advanced that in former days the *Sawbwa* of Kengtung paid tribute to the Chinese, though, on the other hand, as was common with frontier chiefs, the *Sawbwa* at the same time paid tribute to Burma as well.

Effects of the Recent War

23. The British evacuation of nearly the whole of Burma in 1942 and the consequent cessation of administration in the frontier areas provided an opportunity for Chinese infiltration. Chinese officers of detachments which had been operating in Burma

and had withdrawn northwards beyond Myitkyina, settled themselves down in the Htaungaw area where they issued appointment-orders to local headmen, until the Japanese drove them out; they came back after the Japanese retirement late in 1944 but were repelled into Yunnan by Maru and Lashi tribesmen. Again, in the Putao area farther north, Chinese troops advanced in June 1943 and withdrew only when met by a force of Ghurkas. Farther south, to the east of Bhamo, the Kachins of the British forces had several engagements with Chinese guerillas in 1944-45; and an attempt was made in 1943-44 by the Chinese to seize the state of Kokang.

24. It was unfortunate that when the reconquest took place in 1944-45 the American-trained Chinese forces should have been directed to operate in the areas of Burma which have been most under dispute, but the need to secure the American supply route into China left little option. The effect was seen in the action of the Chinese commander in the Shweli valley, who publicly announced that the valley had been conquered for China, held flag-raising ceremonies, opened Chinese schools, and encouraged civilian Chinese to settle there. Similar episodes occurred in parts of the Myitkyina district. Further, the numerous Chinese deserters were a bane to the population by their brigandage, and there was some suspicion that they had been deliberately planted in the country to assist in a Chinese occupation at a later date. Until all the Chinese forces had been withdrawn late in 1945 it was difficult to cope with them.

25. Also remarkable was the incursion of a Chinese force in January 1946, when nearly four hundred troops crossed the frontier and occupied Waingmaw, across the Irrawaddy from Myitkyina, on the profession that they had come to take over engineering installations on the Paoshan-Myitkyina Road and to arrest Chinese deserters. Their commander held a meeting of the local Chinese and invited them to report any unjust treatment by the British, and his men were occupied in digging entrenchments; he also informed the British authorities that if there were any trouble in which Chinese troops were killed, he would arrest those responsible. Only when representations had been made at Chungking and a powerful military force had been assembled in the Myitkyina area did the Chinese withdraw, after re-

maining in British territory for nearly five weeks.

26. Since then there have been minor frontier incidents, such as the removal of boundary-pillars in the Namwan area and incursions of bandits; but these are troubles which are almost inevitable on a remote and poorly-policed frontier. Whether the Chinese make any determined effort to occupy the disputed areas may depend largely on the attitude of the local population; the Kachins distrust the Burmans under whose government they are now placed, but they have also cause to loathe the Chinese for the gross atrocities which the retreating Chinese forces committed in 1942; and though the Kachins are prone to threaten to call in the Chinese if they are not satisfied, they appear to be well content with the new provision for a Kachin State in Burma, the more so as it includes both Myitkyina and Bhamo towns which they can scarcely have expected to obtain. On the whole it is to be doubted whether a Chinese incursion would receive any support. Equally in the Shan States, the attitude of the Kachins is likely to be decisive, for the numerically greater Shans are comparatively peaceful and submissive.

The Burma Road

27. The hope that overland communication through Burma to China might be developed into a profitable trade-route is an old one held by Europeans at least as early as the seventeenth century. There was in former ages a route from India across Northern Burma to China, apparently crossing Manipur, going down the Chindwin River, then up the Irrawaddy to Bhamo, and so overland into Yunnan, but it may be doubted whether the route was often used although its history can be traced back a hundred years before the Christian Era. In recent centuries attention has turned rather to the route up the Irrawaddy valley from the sea; and in the nineteenth century many proposals for a railway from Burma to Yunnan were put forward by British interests which had an exaggerated conception of the productive and absorptive capacities of Yunnan and its inhabitants. But the vast cost of such schemes was prohibitive; the route would cut across the natural lines of communication which run down the great river valleys to the eastern coast, and would involve very difficult terrain in the upper reaches of those valleys. It is significant that the only railway ever completed between Yunnan

and any part of South-East Asia was the French line down the Red River valley to Haiphong. Economy required that trade with the interior of China should go by river to and from the coast, and it was only at such periods as disturbed conditions there had obstructed access to the rivers that any serious thought was given to the development of the Burma route. In the early twentieth century the Burma Railways had been carried as far as Lashio, but the proposed extension into Yunnan was abandoned on Lord Curzon's orders as uneconomical.

28. When, however, the Japanese in the 1930's occupied the greater part of the China Coast and threatened French Indo-China, the Chinese themselves began to develop the Burma route on their own side of the frontier, and their section of the Burma Road, built at vast expenditure of life, was formally opened in January 1939. To facilitate the passage of goods, the British improved the Rangoon-Mandalay-Lashio road and carried it on to the frontier, and also began the construction of a railway extension beyond Lashio, but this was far from complete at the time of the evacuation of Burma in 1942.

29. Whether the Burma Road or the railway would ever have an economic value is doubtful; in 1936, the last normal year of Sino-Burmese trade, the total value of merchandise passing through Bhamo to western China was only Rs.96,000 (£7,200), and though the improved communications since established would certainly facilitate commerce, the increase would have to be enormous to compensate for the maintenance of the Road or the completion of the railway. It would appear likely that, with the restoration of the situation on the China Coast, trade will revert to its normal channels, and that the Burma route, severed in 1942, will not again carry any great quantity of traffic; and in that case the Road is not likely to be maintained except for strategic reasons. The desirability of having an alternative entry for supplies may, however, lead the Chinese to seek to maintain the Road or even, though less probably, to complete the railway, and in the course of securing the route they may find it necessary to gain control over Burma itself.

Immigration

30. Fifty years ago it was commonly feared in Burma that the country would ultimately be overrun by Chinese immi-

grants: this has not so far occurred, and at the time of the Census of 1931 less than 200,000 Chinese were recorded in Burma. The fear of being swamped by the Chinese persists, however, and was a factor in the opposition in some Burmese quarters to the opening of the Burma Road and in the refusal of the Burmese Ministry to forgo Customs dues on Lease/Lend goods in transit to China. There is probably little basis for this alarm, but it is true that the opening of the Burma Road was followed by a considerable influx of Chinese business-men and truck-drivers and in a consequent decline in the formerly good record of the Chinese in matters of crime; and in 1941 negotiations were in train for the conclusion of an agreement with China to restrict immigration in the same manner as it had lately been restricted in the case of India; the outbreak of war, however, interrupted proceedings. Since the war the Burma Immigration (Emergency) Act of 1947, though directed primarily against Indians, has been applied also to the Chinese, and occasional references have been made in the Rangoon press to the danger of illicit immigration over the frontier.

31. At no time, however, have the Chinese presented the problem in Burma that they do in Malaya, Siam, French Indo-China or Indonesia; in Burma it is the Indian who plays the part occupied by the Chinese in those countries. Their small numbers and the ease with which the product of intermarriage becomes absorbed into the Burmese population, have enabled them to live in general on good terms with the indigenous peoples; it is true that in 1931 there was an outbreak of anti-Chinese rioting in Rangoon, but this was an expression of general xenophobia connected with the unrest which found more forceful expression in the anti-Indian riots and the rebellion of the same period. In general, the Burman has been well disposed towards the Chinese, and before the outbreak of the late war there was a good deal of sympathy amongst Burmans towards China in her struggle against Japan.

32. Politically the Chinese in Burma have been absorbed in their own domestic affairs, aligning themselves on the same lines as their compatriots in China itself, and have never sought to play a prominent part in the politics of Burma. As a rule they formed a hard-working and law-abiding section of the community, whose inclination towards racketeering at one

another's expense and towards opium-smuggling rarely caused any trouble for people at large.

Conclusion

33. Though there have never been a great number of Chinese in Burma, the interests of China in the country are not to be lightly disregarded. Historical claims, still remembered, and perhaps a growing sense of self-assertiveness consequent on the successful conclusion of the Japanese war, together with strategic considerations, might combine to lead to aggression. It may be that China's internecine quarrels will prevent this outcome; but, on the other hand, Yunnan is little troubled by these problems and is very much a self-contained unit;

indeed, although the Central Government has now greater control over the Government of Yunnan than it used to have, yet such control is not easy to exercise, and at some time in the future a renewed state of uncertainty in the relations between the Central Government and the Governor of Yunnan might facilitate action against Burma, for the Central Government would then be in the happy position of being able to disclaim any effective responsibility for Yunnan's misdeeds should the upshot prove embarrassing.

B. R. PEARN.

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No. 9

THE FOREIGN RELATIONS OF BURMA AS AN INDEPENDENT STATE

The future development of Burma's foreign relations obviously depends to a great extent on the character of her own people, and more particularly on the temperament of the Burmese who, comprising roughly 10 million of the total population of 17 million, dominate the politics of the country. The Burmese inhabit chiefly the Irrawaddy valley and delta; the hills on east, north and west are inhabited by other Mongoloid races, principally the million and more Shans who are found for the most part in the eastern plateau, the Kachins⁽¹⁾ of the north who tend to migrate southwards, and the few thousand Nagas and the 350,000 Chins who inhabit the western hills. In the hills of the south-east are the Karens who have in the last hundred years spread into the Irrawaddy delta; the latest available Census returns show 1,367,673 Karens.⁽²⁾ Relations between Burmans and the minor races, which are at times strained, are liable to react on foreign relations: thus, the Siamese may cast covetous eyes on the southern Shan States of Burma, inhabited

by their fellow Tai, some of whom prefer the Siamese to the Burmans; the Kachins are prone to threaten to call in the Chinese if aggrieved; and the Karens, the most dissatisfied of the minorities at present, might conceivably seek international intervention if their situation should appear intolerable to them.

2. Living for many centuries cut off by difficulties of communication from close contact with even their nearest neighbours, the Burmese and their kin have developed a parochial outlook. Even the educated have little realisation of the insignificance of their country in world affairs, and an independent government is liable to adopt an attitude in dealing with more powerful States that may be indiscreet; and also, with an almost Chinese conviction of their innate superiority to all other races, they are prone to think that they can go their own way regardless of the interests of the rest of the world. Thus, in the economic field, it is to most Burmans a matter of indifference whether the resources of their country, which are of vital importance to India for example, are developed or not; many, indeed, regard development as an evil rather than a blessing, since, they hold, the country could survive well enough even if external trade ceased altogether, while in such event Burma would no longer be involved in the troubles of the world economy. It is true that the few more enlightened

⁽¹⁾ The last Census return (1931) showed only 163,345 Kachins, but the Census did not cover the then unadministered areas where many Kachins live; perhaps 500,000 would be a fairer estimate.

⁽²⁾ The Karens claim far higher numbers and assert that Burmese village-headmen habitually falsified the Census returns, but their own claims of as many as 4,000,000 are grossly exaggerated; a maximum of 2,000,000 is probable.

Burmans know that Burma will not be allowed to leave her resources unexploited, and are aware also that the economy of the country is now inextricably involved in the rice-export trade, without which the population would suffer great hardship as it did during the Japanese occupation; but the vast mass of people do not think on these lines, and even a Minister of Commerce affirmed, in 1939, that an Indian boycott of Burma's rice would make not the slightest difference to the cultivator. Commercial considerations, which influence the policy of many States so deeply, may thus play but little part in determining the policy of independent Burma which, absorbed in the many domestic problems arising from newly-won independence, is likely to regard foreign relations as a secondary consideration unless that independence is overtly threatened.

3. For geographical reasons Burma's relations with India and China^(*) outweigh in importance her relations with other States.

India

4. Although Burma is separated from India by a difficult land barrier, sea communication is comparatively easy and Burma has always been to some extent subject to Indian influences; culturally the country derived in former ages far more from India than it did from China, and in the modern age also political fashions have tended to be copied from India; it is from India, for example, that the Burma Communists take their example and inspiration. The circumstance that in the nineteenth century Burma came by degrees to form part of the Indian Empire greatly strengthened Indian influence; Indians, versed in the ways of the British administration, tended to be employed in preference to Burmans in government and commercial offices, and certain forms of employment, notably the lower grades of work on the Railways, in the Post and Telegraph Department, and in the Irrawaddy Flotilla Company, were almost an Indian monopoly up to 1942. Indians also provided much of the unskilled labour in the towns and in the rice-fields, for the Indian was willing to take lower wages and to work longer hours than the Burman. Since Burma was a province of the Indian Empire, immigration was unrestricted, and by 1931 there

were 1,017,825 Indians in Burma, forming 6.9 per cent. of the total population and occupying a dominant position in some forms of employment. Most of the Indians formed a floating population, spending two or three years in the country and then returning to India; thus the mass of Indians remained essentially alien.

5. The Indians had a grip on the retail trade throughout the country, and in the higher forms of commerce they handled at least 90 per cent. of the rice-export trade to India and Ceylon. More important, the Indian money-lenders provided the capital whereby the Burman agriculturalist was accustomed to finance his work, the practice being for the cultivator to borrow money at ploughing-time for the purchase of seed and the maintenance of his family, and to repay the loan when the harvest was in. The development of the rice-lands of the Irrawaddy Delta and the Akyab plain was in this way achieved by a combined effort: the Indian money-lender provided the capital, the Burman the labour. When, however, times were bad and the price of rice fell, foreclosures occurred, for the money-lender had no other means of recouping his advances. The economic depression of 1929 and the following years thus had a disastrous effect on the cultivator; by 1936 some 25½ per cent. of the land in the thirteen principal rice-growing districts was held by Indians, and in some districts the percentage was much higher: in the Pegu district, for example, the proportion was no less than 36 per cent. While the Burmese money-lender was at least as oppressive as the Indian, yet, not being an alien, he inspired much less ill-will, so that the odium involved in foreclosing and then rack-renting the land fell mainly on the Indian.

6. The pressure of the money-lender and the competition of Indian unskilled labour from about 1929 onwards when failing prosperity in the rice-lands drove many Burmans to seek casual employment, aroused intense ill-feeling which expressed itself in savage anti-Indian rioting in 1930. The bitterness was accentuated by the failure of the Indian to assimilate himself to the country as the Chinese had done, and by other factors such as the problem of intermarriage between Burmese women and Muslims. No Muslim could effect a lawful union with a non-Muslim and, as the courts applied the personal law of the man in matters of marriage and succession, many Burmese women who had contracted legiti-

(*) Sino-Burman political relations are considered in a separate paper, F 7962/859/79.

mate marriages according to Burmese custom found themselves destitute on the man's death.

7. The Burman, moreover, naturally resented the political dependence of his formerly independent country on India, and, despising the Indian since most of the Indians he knew were of humble status, his *amour propre* was touched. It was also a common complaint that the Government of India habitually sacrificed Burmese to Indian interests. All these circumstances produced a demand for separation from the Indian Empire, and this was achieved in 1937.

8. Separation did not dispose of the economic factors, and it may indeed be that the very consciousness that subordination to the Government of India had ceased was an encouragement to anti-Indian agitation, which again took the form of rioting in 1938-39. An enquiry was then held into the extent and effects of Indian immigration, and the upshot was an Immigration Agreement, negotiated in 1941. The Government of India approved the terms, but strong feeling was aroused in India, especially by the provision that marriage or cohabitation with a Burmese woman might be grounds for cancelling a permit to reside in the country; and the issue was still undetermined when the Japanese war began. Other anti-Indian measures taken in the same period were a Marriage Act for the protection of Burmese women, and Land Alienation and Tenancy Acts for the protection of the cultivator. The standstill agreement in regard to customs dues imposed at the time of separation was also terminated.

9. Negotiations on the subject of immigration were carried on by the exiled Government of Burma during the Japanese occupation and by the restored Government after 1945, but the question remains in a fluid state. For some time after the re-occupation a lack of transport facilities reduced immigration to a minimum, while the Government of India itself declined to permit the emigration to Burma of unskilled labour until such time as precautions for its welfare could be taken. Gradually, however, immigration was resumed and much unauthorised crossing of the frontier took place until in June 1947 the Government of Burma imposed an Immigration (Emergency) Act to check such movements. This measure evoked protests from the Government of India, but so far no settlement has been reached. It is almost certain

that any government of an independent Burma will do all in its power to prevent the immigration of Indians.

10. Whether immigration is resumed on a large scale or not, the Indian population in Burma is still large. In 1942 something approaching half-a-million of the million Indians in the country evacuated to India, and there was probably a considerable mortality among those that remained during the Japanese occupation; an unassessed number have returned since 1945; so that it would be safe to reckon that there are from half to three-quarters of a million Indians now in Burma. Under the new Constitution those of them who have lived in Burma for eight years in all may opt for Burmese citizenship; failing this, they now become aliens. On the whole this may act to their advantage, for the Governments of India and Pakistan may find it easier to bring pressure to bear on the government of a foreign state than they could on the government of a fellow component of the British Commonwealth.

11. The Indian in Burma will certainly seek the intervention of his own Government in some matters. In addition to the demand for ordinary security of life which, by past experience, is liable to be endangered by anti-Indian agitation, there is a big problem in the claims of the money-lenders. The new Constitution prohibits large land-holdings such as some of the money-lenders have accumulated, and apart from that it has in fact proved impossible since 1942 for the money-lender to collect debts or rents. The money-lender will look to his own Government to protect his interests, while on the other hand the Burmese Government cannot face the odium which would be involved in any attempt to restore the position of the money-lender and landlord, nor has it the means to buy out their rights without at the same time imposing a heavy burden on the tax-payer who is, for the most part, the cultivator. Yet unless some settlement can soon be reached there is the danger of serious friction.

12. In reality, Burma needs Indian labour and capital if her resources are to be developed to the full, and it is in the vital interest of India that such development should be effected. Burma is capable of supporting a much larger population than it now does. India has a density of population of 295 to the square mile over the whole country in comparison with Burma's 64; and in large areas of the

Ganges plain the density rises to 1,000 in contrast to little more than 200 in the most densely populated districts of Burma. The relatively underpopulated Irrawaddy delta and Akyab rice-plain are more easily accessible for India than any other similar region in the world, and the pressure of a rapidly increasing population seems almost certain to impel Indians to emigrate thereto, while the Burmans will endeavour to exclude them. It may be noted that the Indian Government has lately been concerned at the refusal of Indian employees of the Government of Burma to opt for Burmese citizenship, for it sees no prospect of absorbing them in India.

13. The potentialities of Burma as a source of supply and as a market are also of concern to India. In pre-war days India dominated both the export and the import trades of Burma, and Burma's export of rice, though small in contrast to India's own production, was yet enough to make the difference between a bare sufficiency and absolute want for large numbers of Indians, as was found during the Japanese occupation. Burma was also the chief source of petroleum products for India. The revival of Burma's production is thus a matter in which India and Pakistan must take a keen interest, yet the apathetic attitude of many Burmans towards commerce is not conducive to revival.

14. India and Pakistan must also be interested in Burma from the military angle. The old view that natural conditions made Burma impregnable on her eastern frontier and that therefore India was secure from any incursion from beyond Burma was proved fallacious in 1942, and the north-eastern frontier of India has now to be taken into account. Although there is no immediate problem, circumstances might arise in which the Indian Governments might feel impelled to seek to control the frontiers of Burma.

15. There are two particular frontier problems that may arise. There has been a mild agitation amongst the Muslims of Maungdaw, bordering the Chittagong district of East Bengal, for accession to Pakistan, but the Pakistan leaders have disclaimed desire for such a development. There is also an ancient dispute between Burma and Manipur over the ownership of the Kabaw valley, bordering Manipur state, and the Manipuri claim was somewhat feebly revived in 1947. But neither of these frontier problems appears to be of moment.

16. An outstanding question is Burma's indebtedness to India, incurred under a financial agreement at the time of separation. Burma's share of India's public debt and the value of certain capital installations, notably the Burma Railways, amounting in all to nearly £40,000,000, were to be repaid over a period of 43 years; payments were suspended during the Japanese occupation and have not yet been resumed.

17. Underlying all these problems is the recollection, on both sides, that Burma for many years formed part of the Indian Empire; there are interests in India which would like a return to that situation, while Burmese opinion is singularly jealous of any attempt on the part of Indians again to dominate the country.

18. Much in the future will depend on the attitude of the Burmans themselves, but at least as much also on the attitude of the Indian; and if the attitude of the Indians in some overseas territories be any guide, the Burman may need to exercise a good deal more forbearance than he is normally capable of if trouble is to be avoided.

Great Britain

19. British interests in Burma in the past were primarily of a commercial nature. A good deal of British capital has been sunk in the country, though the precise extent of British investments would be difficult to determine. The avowed policy of the independent Government is to replace British and other alien control of economic functions by Burmese control and preferably by State control. The new Constitution provides that the Legislature may nationalise individual branches of the national economy or single enterprises, and may restrict the exploitation of natural resources and the ownership of public utilities to concerns of whose capital not less than 60 per cent. is owned by citizens or public authorities of Burma. The inclinations of the Burmans who now dominate the Government would in any case lead them to implement this policy, and the need for countering the Communist accusation that the economy of the country is still dominated by the "imperialists" has caused the Government to act with some haste in the matter.

20. The Anglo-Burman Treaty of October 1947 provides that compensation shall be paid to any expropriated concern, but the determination of the amount of compensation and of the time and manner

of payment is a matter of some delicacy. The situation is complicated by outstanding claims by British concerns for compensation for the destruction of property denied to the enemy in 1942 and for war-damage generally; it appears that any liability in these matters now falls on the independent state of Burma, but the Government of Burma, holding that the responsibility was an imperial one, is far from likely to accept it. Moreover, some Burmans also claim compensation for war-damage and suggest that this should be set off against the claims for compensation for expropriation.

21. At the back of the Burmese viewpoint is the feeling that the British commercial concerns have made vast profits out of Burma in the past and ought not to expect anything more, while some Burmans see no necessity for commerce and industry at all. Burmans themselves lack capital; the law of inheritance which entails fragmentation of property prevents the accumulation of money; and thus large-scale business could be built up only by foreign investors. The Burman also lacks experience of commerce and industry. The prosperity of Burma has thus been due to foreign investors, merchants and technicians; but the Burman would willingly have dispensed, he thinks, with such hard-bought prosperity even though it gave him a standard of living much above that of neighbouring peoples.

22. The prospects for British commerce and capital are thus uncertain; but it is evident that in the future Burmese control must prevail in the major branches of industry and public utilities.

23. In regard to defence, Great Britain will have no liability and has now withdrawn all armed forces; yet if Burma were in difficulties she probably would still feel, illogically, that she had a claim to British assistance; and the presence of a Defence Mission in the country would strengthen this feeling. Moreover, Burma is a factor in the defence of India and Pakistan, and so long as either of these remains a Dominion the security of Burma must remain a British interest.

24. Great Britain is also interested in Burma as a source of rice. India, Pakistan and Ceylon, as Dominions, are responsible for managing their own affairs; but so long as Malaya lacks complete autonomy it is a British obligation to encourage the flow of rice to that territory; and in general the need for restoring the world's food supplies

makes it necessary to use all suitable measures to revive Burma's rice-trade which the late war so badly disrupted. Burma, moreover, is not only one of the world's chief producers of hard-woods but was also the Empire's principal source of wolfram, and both of these commodities are important for military purposes.

25. Apart from any sentimental concern for a people who have had a hundred years' connexion with the British Commonwealth, there are thus practical reasons why the United Kingdom should endeavour to maintain the stability and restore the prosperity of Burma, now threatened by Communist agitation. The difficulty is that the Burmese, especially in the first flush of their newly-won independence, are not likely to be easily influenced and although outside the extremist ranks there is little ill-will towards the British, any apparent attempt to guide the country's policy is likely to be acutely resented.

Siam

26. Although the earlier history of Burma's relations with Siam is one of frequent warfare, there has been peace since the establishment of British power in Burma. During the British period contact between the two countries was slight; there is normally a little trans-frontier retail trade, and small quantities of Siamese rice and teak come down the Salween river to the Burma port of Moulmein; but road communication between the two countries is poor, and though the Japanese constructed the Burma-Siam railway in 1943, this has now been abandoned on the Burma side of the frontier.

27. Certain problems, however, may perhaps be a source of disagreement. Tavoy and Mergui districts have been continuously part of Burma only since 1760 and extremist Siamese nationalists have occasionally asserted that they should be retroceded to Siam. Similarly the advocates of the union of all the Tai have at times claimed parts of the Burma Shan States for Siam on account of the racial link between the two peoples. This claim is not displeasing to some of the Burma Shans. In 1943 the Japanese allocated the Burma Shan States of Kengtung and Mongpan to Siam, but they reverted to Burma in 1945. There is no reason to suppose that these matters will be of moment for some time to come; only if Burma should again fall before a foreign enemy as it did in 1942 would the Siamese be likely to press their claim.

Japan

28. Few Japanese ever resided in Burma; the maximum number recorded was 661, in 1930. Most of these were doctors, dentists, photographers, and employees of such concerns as the Yokohama Specie Bank, and they were in no sense colonists but only temporary residents. In the great expansion of Japanese commerce during the inter-war years, however, Japan came to enjoy a not inconsiderable share of Burma's external trade, and by 1939 supplied about 35 million yards of cotton piece-goods a year out of the total import of about 164 million, as well as such consumer goods as rubber shoes, pottery and paper. Japan imported from Burma minerals and raw cotton, and in the last two or three years before the Pacific War, when she was building up stocks, also imported over 100,000 tons of Burma rice a year.

29. Politically the Japanese displayed no interest in Burma until the 1930's when the need for countering Chinese propaganda, which had had some slight success in fostering a boycott of Japanese goods, led to counter-propaganda. Towards the end of the decade, as the international situation deteriorated, overt efforts were made to encourage an impression of Nippon's greatness, and contacts of a surreptitious nature were formed with leading Burmese politicians with a view to gaining their aid in the event of war. These activities were intensified on the opening of the Burma Road, and in 1940 the Japanese took advantage of the disastrous situation in Europe to exact a closing of the Road for three months, while their occupation of French Indo-China constituted the first threat to Burma's security.

30. Japanese contacts were especially close with certain of the revolutionary nationalist group known as the *Thakins*, some thirty of whom, including the late U Aung San, made their way to Japanese territory in 1940 and subsequently returned with the invading Japanese forces.

31. The disasters brought on the country by the military operations of the years 1941 to 1945, the oppressive attitude of the Japanese military, and such measures as the exaction of forced labour, sickened the people of Burma of the Japanese and there is no reason to suppose that any section of Burmese opinion is to-day well disposed towards them; but this would not prevent any political group from accepting

Japanese money and other forms of aid if in the future Japan should offer them.

32. It is reasonable to suppose that as soon as opportunity offers the Japanese will re-establish their commercial links with Burma as with other countries. Whether dreams of a "Greater East Asia Co-Prosperity Sphere" will again arise is impossible to say; there may be some nostalgia for the triumphant days of 1942-44, but it is more likely that any attempt at the restoration of the Coprosphere will be attempted through economic rather than military measures. In general, it would not appear that any political connexion of importance is likely to arise between Burma and Japan for some years to come.

United States

33. American interest in Burma before 1942 was chiefly of a sentimental nature, arising from the work of the American Baptist Foreign Mission, which had operated in the country ever since 1813 and had become the most successful, or least unsuccessful, of all the Christian missionary bodies in Burma. During the recent war interest was stimulated by the Lease Lend traffic across the Burma Road and by the part played by American airmen and soldiers in the defence and later in the re-occupation of Burma, and in the re-occupation period it was apparent that the Americans were using their military organisations as a means of impressing themselves on the people of the country with a view to the future development of commercial connexions.

34. Since the termination of hostilities, the Americans have been active in encouraging Burmese students to go to American universities, and have effected an agreement with the Burmese Government that sums due under the lease/lend agreement shall be utilised for financing educational activities of Americans in Burma and for providing scholarships for Burmans in the United States.

35. The extent of American interest is shown by the establishment of an Embassy in Rangoon corresponding to the Burmese Embassy in Washington; this exchange of missions with what is regarded as the dominant power in the Far East is gratifying to Burmese sentiment.

36. Americans have never had any great share of Burma's commerce, though it is understood that a proportion of the stock of the Burma Corporation, which worked

the great silver-lead mine at Bawdwin in the Northern Shan States, is owned in the United States; but they are likely to try to gain a larger foothold in the import trade if opportunity is given by the weakening of the British connexion.

U.S.S.R.

37. Burma has till lately been remote from the Russian sphere. Trade contacts were negligible and the Russians never thought it worth while to develop political connexions. No Russian consular officer *de carrière* was ever posted to Burma, and though there was from about 1930 onwards a tendency towards Communism amongst some of the younger nationalists, the inspiration was derived from India and so far as is known no direct encouragement was received from Russia. No Burman is known to have ever visited Russia and none of the Burmese political leaders has been trained in Soviet territory.

38. Communism has developed rapidly in Burma in recent years and the Soviets, which have shown a markedly increased concern in the affairs of South-East Asia since the end of the war, will no doubt give it all the encouragement they can. Early in 1947 the Burmese Government proposed the establishment of diplomatic relations with Russia, and though there must since have been some regrets that this precipitate step was taken, no doubt the Russians will pursue the opportunity to give increased vigour to the Communist opposition in Burma and to develop its links with the Communist movement in neighbouring states.

39. The Burma Communists are already endangering the Burmese Government, for, apart from the recent recourse to violent opposition, there are many "fellow-travellers" in the police, the armed forces, and even in the Anti-Fascist People's Freedom League, which is the Government political organisation. There is, therefore, a distinct danger that, once direct Russian contact has been formed, Burma may fall under Communist control, and in that event Burma would be a dangerous centre for Communist activity, forming a readier link than is now available between India and China and between India and the other countries of South-East Asia. This situation would react adversely on Burma's relations with her neighbours and could even be an incentive for Indian intervention.

Other Non-Asiatic States

40. The French long ago abandoned their hopes of ascendancy in Burma and since the settlement of the frontier with Indo-China in 1896 there has been no major difficulty with them. French Roman Catholic priests operate in the southern part of Burma, the northern parts being assigned to the Italians, but neither French nor Italians have any effective commercial interests in the country.

41. Before 1914 the Germans played a considerable part in Burma's foreign trade but they have never recovered their position. In the inter-war years small quantities of rice went to Germany, and also to Holland, Belgium, Poland, Italy, Finland, Sweden, Portugal and Czechoslovakia; Germany and Belgium imported some of Burma's minerals, especially in the rearmament period preceding 1939; Germany and Belgium supplied Burma with aniline dyes and some metal products, and Scandinavia sent paper. But this commerce was on no great scale and none of the European states found it necessary to employ consular officers *de carrière* in Burma.

42. A commercial interest which may become important is that of the Dutch. The *Nederlandsche Handelsmaatschappij* had a branch in Rangoon and the Trading Company of Hegt & Co. has long flourished; the Dutch firm of Siemens also had a branch in Rangoon. The Dutch are tenacious in the pursuit of profit and will carry on trade under conditions which many others would find intolerable. It may be that if British commerce with Burma fades, its place will be taken by Dutch trade.

Air Routes

43. Burma was before the war an important centre of air-travel. Both the Dutch and the French air-lines to the East passed through Burma, using the air-field at Mingaladon as a port; in 1939 the Italians were also contemplating an air-line to the East through Rangoon; the Chinese National Airways Corporation operated through Burma to Calcutta; and Rangoon was one of the major ports for the B.O.A.C. At present, however, the situation does not permit of much activity of this nature and it may be that with the development of long-distance flying Burma may lose its value as a port in the international air-routes.

General

44. Burma lies between two powerful neighbours, India and China, with neither of whom can she hope to compete in military power. Both have interests in Burma which, in the case of India, include the vitally important need for *lebensraum*. That Burma is in danger of being absorbed by one or other of her neighbours, and more probably by India, is a commonly accepted view. If this view be justified, Burma's hopes of survival will depend on the ability of her Government to play off India and China against one another; Siam has retained her independence owing to the rivalry of France and Great Britain and the astuteness of her Governments in

holding the balance between these two powers, and whether Burma will enjoy a similar fortune may depend on her ability to produce political leaders of equal acumen. On the other hand, this view is tenable only on the assumption that India and China are stable powers of equal strength; a continuance of disintegration in China or a collapse in India would completely alter the situation, while the coincidence of both these contingencies would leave Burma in relative security.

B. R. PEARN,

Foreign Office Research Department.

11th June, 1948.

F 8511/17/G

No. 10

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE BURMESE AMBASSADOR

Situation in Burma

Mr. Bevin to Mr. Bowker (Rangoon)

(No. 506. Telegraphic) *Foreign Office,*
Sir, *16th June, 1948.*

I asked the Burmese Ambassador to see me this afternoon, when I expressed to him the Cabinet's concern over developments in Burma.

2. We had entered into a treaty with Burma laying down the future relationships between our two countries. On the defence side we had made military assistance available, and recently we had done our best to respond to the Ambassador's request for assistance in the provision of arms.

3. Now we are faced with the public statements of the Burmese Prime Minister relating to his forthcoming resignation and to closer association with the Soviet Union and Communist States, and we were left somewhat bewildered as to where we stood. Did these statements mean that the Burmese were going to turn away from us in favour of closer association with the Soviet Union? If that was so, we should have to reconsider our own position. We had for our part tried to live up to the letter and the spirit of the treaty, but I could not help feeling that Burma for her

part had not acted in the same manner. I quite understood that the Government of Burma had its own internal difficulties, but I should welcome a statement from the Government which would enable me to answer the numerous enquiries I was receiving and establish that the faith and belief in which we had entered into the treaty would not be undermined.

4. The Ambassador read an extract from a telegram he had received from the Burmese Foreign Minister in explanation of the earlier statement of Thakin Nu to the effect that, although the party in power in Burma aims at State socialism, it abhors the methods of communism and adheres strictly to democratic methods. The telegram went on to say that Burma does not intend to ally herself with Russia and is anxious in no way to affect her relations with the British Commonwealth, with the United States and with China. Burma contemplates friendly relations with the Western democracies as well as with Russia.

5. The Ambassador undertook to seek further clarification from his Government.

I am, &c.

ERNEST BEVIN.

F 8537/17/79

No. 11

ANGLO-BURMESE RELATIONS

Mr. Bowker to Mr. Bevin. (Received 18th June)

(No. 493) *Rangoon,*
(Telegraphic) 18th June, 1948.

Your telegrams Nos. 506 and 508:
Thakin Nu's speech.

I visited the Minister for Foreign Affairs again this morning. I told him that I had received from you an account of your conversation with Burmese Ambassador in London and been instructed to speak to the Burmese Government in the same sense and seek to obtain from them a clear indication of their policy towards the United Kingdom. I said I had to a large extent anticipated these instructions when I saw the Minister on 15th June and he had given me certain assurances which I had reported to you. But if he had anything further to tell me I should be glad to communicate it to you. I then read out your telegram No. 506.

2. Minister told me that he had received a telegram from the Burmese Ambassador in Washington which had not yet been decyphered. The Minister said that he hoped assurances which he had given to me and to the press would by now have allayed the apprehensions of His Majesty's Government. He had received Reuter's account of your statement in Parliament yesterday and he appreciated its friendly tone. Speaking with some feeling he said he was convinced that if Burma were to lose her close friendship with the United Kingdom it would be a calamity for the country, and this was also the view held by the Prime Minister.

3. I then said that I thought His Majesty's Government's first apprehensions over Thakin Nu's speech resulting partly from conflicting and sensational press reports had been allayed. But no doubt they still felt grave concern over Thakin Nu's recent statement of policy

which, even after his own elucidations, contained a number of most disagreeable elements. I thought His Majesty's Government were now beginning to tot up accounts between the United Kingdom and Burma. On the one hand no doubt they felt they had given many positive proofs of their friendship. They had shown anxiety to provide for Burma's textile and other requirements, they supported Burma's application to membership of international bodies, they had provided military advice and assistance and recently at considerable sacrifice had made available substantial supplies of armaments. On the other side Burma had given from time to time assurances of friendship but so far all she had actually done was to seize a number of British concerns for which she had not paid a single penny, and now more than a fortnight after the concerns had been taken over no progress appeared to have been made towards reaching a settlement. No doubt His Majesty's Government were finding the scales somewhat unbalanced and were looking for some concrete implementation of Burma's assurances. I repeated what I had said on 15th June, namely, that a practical indication of Burma's good intentions would be a rapid agreement with the Irrawaddy Flotilla Company and timber firms on compensation and payment for assets.

4. The Minister said he fully appreciated His Majesty's Government's desire for some proof of Burma's friendship and told me he was going to press for a settlement over compensation at meeting of the Cabinet to be held later this morning. At the same time in compliance with his request I gave him a summary of your telegram No. 506 which he said he would use at the meeting.

F 8825/17/79

No. 12

COMMENTS ON SPEECH BY THAKIN NU

Mr. Bowker to Mr. Bevin. (Received 24th June)

(No. 214. Confidential.) *Rangoon,*
Sir, 18th June, 1948.

I have the honour, with reference to my telegram No. 483, to send you the enclosed translation⁽¹⁾ of the speech delivered by

Thakin Nu, in his capacity as president of the Anti-Fascist People's Freedom League, to a rally of the league on 13th June. I enclose also copies⁽¹⁾ of three leading articles relating to the speech which

⁽¹⁾ Not printed.

appeared in the *New Times of Burma*, the paper of U Tin Tut, the Minister for Foreign Affairs, on 15th, 16th and 18th June respectively.

2. In the main the speech was a further exposition of the A.F.P.F.L. attitude to the Communists, and an elucidation of Thakin Nu's fifteen-point programme first set out in his statement on Leftist unity published on 25th May. The text of this programme was sent to you in my despatch No. 178 and formed the subject of my subsequent despatches Nos. 182, 192 and 201.

3. The salient points of Thakin Nu's speech on 13th June were reported to you in my telegram No. 483. My telegrams Nos. 484 and 485 contained the explanation of certain points given to me by the Minister for Foreign Affairs, and my own comments.

4. As I reported at the time, Thakin Nu's original Leftist unity programme was an opportunist measure intended to retain the support of the Pyeethu Yebaw Ahpwe for the A.F.P.F.L. coalition Government. In the event it caused a split in the P.Y.A., being accepted by only a minority of the party. The programme will be put before the Supreme Council of the A.F.P.F.L. early in July, by which time it is thought that possibly half the P.Y.A. leaders will have accepted it. It remains to be seen what the dissident element of the P.Y.A. will do in the probable event of the programme being accepted by the Supreme Council. It is possible that they may attempt to link up with the Communists, but, as explained to me recently by the Minister for Foreign Affairs, their main motive will be to avoid fusion with their hated rivals, the Socialists. It was obvious that in drawing up his programme Thakin Nu had given little thought to its effect either on the, by no means negligible, elements in the country who abhor communism, or on opinion abroad. The speculation and uncertainty to which the programme gave rise led Thakin Nu to make his explanatory speech on 13th June. This speech was a considerably more moderate exposition of policy than the original statement containing the programme. In it Thakin Nu explained that his statement was not intended as heralding a reorientation of Burma's foreign policy and a linking up with Soviet Russia. He made a spirited defence of the Anglo-Burmese Treaty, with special reference to the Defence Agreement, the debt provision and the principle of compensation for

nationalised foreign interests, on which points the Communists had concentrated their attacks. He made it clear that previous attempts had shown the hopelessness of seeking agreement with the Communists. His explanation of the fifteen points showed certain modifications. He made it clear that the Government's policy of taking over the import and export trade would inevitably be a gradual process, and that there would be no official propagation of Marxist-Leninist doctrines, people being left free to study any other doctrines they wished.

5. The sensation which Thakin Nu's speech caused abroad was largely due to imperfect reporting by the news agencies. I understand that the Reuter correspondent here, who had telegraphed a summary of Thakin Nu's original statement on 25th May, did not report the fifteen points in detail until he sent a summary of Thakin Nu's speech of 13th June. That summary was based on an incomplete study of the speech and contained one important misrepresentation. Thakin Nu was reported as saying that although situated in a zone of Anglo-American influence, Burma nevertheless wished to link up politically with Soviet Russia. In fact, what Thakin Nu said was that Burma's situation in a zone of Anglo-American influence made it impossible for her to give up her links with the Western Powers, but that she wished at the same time to have political and economic relations with Russia. I regret that my own comments on the speech should not have reached you in time to correct these false impressions immediately. The reason was that the speech was very long, covering some thirty pages of Burmese, and the official translation was not available until three days later. It was difficult to send useful comments without a proper study of the whole speech, and at the time I was not aware of the sensational reports sent by the news agencies.

6. The excitement caused by the speech abroad may, I think, turn out to be a blessing in disguise. As I pointed out to the Minister for Foreign Affairs, it is not possible for the Burmese Prime Minister to make statements of policy of such far-reaching implication and hope to keep them for home consumption. The Burmese Government will be well advised in future to consider the implications of such statements on their foreign policy when they are being prepared. The excitement caused by

the speech in London and elsewhere has, I think, done a good deal to teach the Burmese Government this lesson. It was no doubt largely responsible for the emphatic assurances given to me by the Minister for Foreign Affairs, on 16th June, on Burma's continued loyalty to the Anglo-Burmese Treaty, and his denial of any intention on the part of Burma to "go Communist."

7. As I have said, Thakin Nu's speech of 13th June, and the assurances with which it has been followed up, show a distinct modification of the policy indicated in his originally announced programme. But, as I pointed out to the Minister for Foreign Affairs to-day (see my telegram No. 493), if the worst apprehensions of His Majesty's Government have thus been allayed, nevertheless the programme, as it stands, still contains a number of most disagreeable elements, particularly the gratuitous enunciation of the principle of compensation only after nationalised assets have been taken over. As I told the Minister, His Majesty's Government will now be totting up accounts, and, recalling the numerous positive ways in which they have shown their friendliness to Burma, will now be expecting some concrete implementation by Burma of the assurances of goodwill which so far have been all that has come from her side. I told him that one way of proving Burma's good intentions at this moment would be to reach a rapid and satisfactory agreement with the Irrawaddy Flotilla Company and the British timber firms over compensation and payment for assets.

8. It is hoped that the excitement over Thakin Nu's recent announcements may, as suggested above, result in some positive effort by Burma to show her good intentions. But, as I pointed out in my telegram No. 485, the situation must be reviewed against the background of certain basic factors, such as the paucity of experienced

leaders in Burma, the fact that the present leaders have no background whatever of private property or business, that most of them are genuinely anxious to see the end of foreign business in Burma, and few of them are yet able to appreciate the political implications of their airy schemes. During the last year the A.F.P.F.L. have increasingly elbowed out their more conservative elements, and up till now no new moderate party has dared to organise itself. For all these reasons, it is inevitable that the process of State socialism should be more rapid in Burma than, for instance, in India, with its important capitalist class. It is also necessary to take into account the fundamental political instability of this country. It is in the tradition of Burma that power should be disputed among a number of leaders. At the present moment, in addition to the serious rift in the coalition caused by the hostility between Socialists and P.Y.A., the Government have to deal with a widespread Communist insurrection. And in the background there is always the possibility of strife between the various racial elements of the union, who have no tradition of working together.

9. While for all these reasons prospects in Burma are not particularly favourable, it seems to me that the only hope of preventing them from getting worse is for His Majesty's Government to continue their present support of, and assistance to, the present régime, trusting that it will learn by experience and gradually modify the excessive zeal of its more violent members. But in giving this support, every opportunity should be taken of emphasising that such a policy cannot continue without some concrete proofs from the régime itself that it values British friendship.

10. I am sending a copy of this despatch to the Commissioner-General for the United Kingdom in South-East Asia.

I have, &c.

JAMES BOWKER.

F 8826/17/79

No. 13

ANGLO-BURMESE RELATIONS

Mr. Bevin to Mr. Bowker (Rangoon)

(No. 142)
Sir,

Foreign Office,
28th June, 1948

In my temporary absence from London, the Burmese Ambassador called on the Minister of State on 21st June, and left

with him a copy of a telegram from the Burmese Minister for Foreign Affairs, of which I enclose the text.

2. You will observe that the re-assurances contained therein correspond very

closely with those of which the Minister for Foreign Affairs had previously informed you, as you reported in your telegram No. 496 of 19th June.

3. Mr. McNeil remarked to the Ambassador that he hoped the Burmese Government would show themselves to be in earnest about their promise to afford acceptable terms to expropriated British firms.

I am, &c.

ERNEST BEVIN.

Enclosure in No. 13

Please state categorically to Bevin with full authority from the Burma Government that Burma is not turning Communist, that her Government value friendship with Britain and appreciate very much the valuable assistance which Burma is receiving from her and desire to retain

unimpaired close friendly and cordial relationship she enjoys with Britain.

Please add assurance that Burma Government have every intention of abiding by the terms of the Anglo-Burmese Treaty and that though circumstances compelled them to proceed with the nationalisation of Inland Waterways Transport and partial nationalisation of teak extraction before question of compensation could be settled in principle, Government will spare no efforts to secure friendly settlement of this question quickly and that should further occasion arise for nationalisation of British undertakings, Government will endeavour to seek settlement of principles on which compensation is to be paid before actual nationalisation. Please thank His Majesty's Government through Bevin for the friendly tone of statement on Burma he made on Thursday.

F 11229/17/79

No. 14

EVENTS IN BURMA, 1939-48

In 1939 Burma had reached a stage in constitutional development in which powers closely approaching those of a Dominion were enjoyed by the popular legislature and the ministers responsible thereto. There were, however, two exceptions, of which one became of increased significance when war began: the hill areas lay outside the control of legislature and ministry and were administered by the Governor; more important, the sphere of Defence and External Affairs was also excluded from parliamentary control and was in the hands of the Governor, subject to the directions of the Secretary of State. Thus, as in India and for the same reason, the declaration of war by His Majesty's Government in September 1939 automatically involved Burma in a state of hostilities, and furthermore the measures taken in furtherance of the war-effort were necessarily taken by the Governor and not by the ministry.

2. In the initial stages the war appeared to be remote from Burma and it made but little apparent impact on the life of the country. In some respects it was even beneficial, for the rôle of Burma was to export as much as possible of essential commodities such as timber and minerals. Before long, however, the political situa-

tion showed signs of becoming difficult. As is usual in war conditions, the power of the executive tended to grow at the expense of that of the legislature, and in the case of Burma the branch of the executive concerned was not the ministry but the Defence Department which fell directly under the Governor's control; some restiveness was therefore displayed by legislature and ministry, and the general political situation deteriorated when events in Europe took an unfavourable turn in 1940. The extremist *Thakin* leaders indulged in open sedition and, probably, in secret negotiations with the Japanese: and Dr. Ba Maw, who had been discontented ever since his fall from office in February 1939, formed with the *Thakins* a Freedom Bloc which aimed at securing Burma's independence by force. Dr. Ba Maw publicly asserted that from the Burmese point of view it was immaterial who won the war; if the Germans should come to Burma and the country did not at once receive freedom, the Burmans, he said, should ask the Germans to go home.

3. The ministers also were not unaffected by the prevailing restlessness and though not openly adopting the *Thakin* attitude that England's difficulty was Burma's opportunity and while affirming their full

support in the prosecution of the war, they yet in June 1940 asked for an immediate declaration that on the termination of the war His Majesty's Government would enable Burma to take her place "as a fully self-governing and equal member of any Commonwealth or Federation of free nations that may be established as a result of the war." His Majesty's Government declined to commit themselves beyond stating that they would "continue to use their best endeavours to promote the attainment of Dominion Status as being the objective of Burma's constitutional progress," but to meet the problems created by the growth in the power of the Defence Department a Burman was appointed as one of the Governor's Counsellors for Defence, the appointment being given to Sir Maung Gyee, later the first Burmese Ambassador in London.

4. These measures failed to conciliate the extremists and Dr. Ba Maw's speeches led to his conviction and imprisonment for sedition in August 1940. A number of *Thakins* were also arrested, but some for whom warrants were issued evaded arrest and made their way overland to Siam where they enlisted with the Japanese; among the "Thirty Heroes" who joined the Japanese in this way was the prominent *Thakin* Aung San.

Foreign Relations

5. Burmese sympathies still lay in theory with the Chinese in their struggle against Japan and in 1940 and 1941 "goodwill missions" were exchanged between Burmans and Chinese. On the other hand there was still strong dislike of Chinese immigration and this expressed itself in opposition to the traffic along the Burma Road. In July 1940 the Road was closed to the transit of war material under Japanese pressure, which at that time His Majesty's Government was in no position to withstand; it was even necessary to give the Japanese consular officers access to the Customs records, a matter which caused the Customs officers much embarrassment, though an attempt by the Japanese to station traffic-inspectors on the Road was successfully resisted. When, after three months, traffic was resumed, the question was raised of the payment of customs duties on Lease/Lend goods travelling from the United States of America to China, a matter which fell within the province of the ministers; a violent agitation broke out in the vernacular press

against a proposal to waive or reduce the duties, and the ministers, whatever their private views, dared not resist. In the end the long-suffering British taxpayer bore the burden.

6. Restrictions on the immigration of Chinese were under discussion when the Pacific war began in December 1941; already an agreement on the immigration of Indians, arising from the anti-Indian riots of 1938-39, had been reached, though the terms of the agreement, and particularly the provision that marriage or cohabitation with a Burmese woman might be ground for withdrawing a permit to reside in the country, had evoked much indignation in the Indian press. This agreement was largely the work of U Saw, who by one of the reshufflings of parties so common in Burmese politics had become Premier in September 1940. Despite his former record as an agitator and despite the strong suspicions that he had had surreptitious contacts with the Japanese, he proclaimed a reasonable enough policy; speedy Burmanisation of the services, introduction of free and compulsory education, the elimination of corruption, economies in administration, and, in the constitutional sphere, the attainment of autonomy by evolution and not by revolution. He turned the wartime Defence of Burma Rules to his own advantage, however, by imprisoning his political opponents without trial, and showed all the signs of aiming at a dictatorship; and he obtained from His Majesty's Government a postponement of the general election which was due towards the end of the year 1941, on the grounds that wartime conditions, which had, in fact, so far scarcely affected Burma, made an election undesirable. He was determined to secure some striking advance in Burma's constitutional progress before any elections were held, and for this reason he visited the United Kingdom in November 1941 to seek a pledge of immediate Dominion Status, but while returning from this unsuccessful mission he was detained and then interned in Uganda on account of his contacts with the Japanese in Lisbon after the Pacific War had begun.

The Japanese Invasion

7. Such preparations as conditions allowed had been taken against the contingency of war; there had been much activity in defence works, such as the construction of air-fields, and in holding

practice black-outs and an elaborate defence exercise; a Burma Royal Naval Volunteer Reserve had been raised and had evoked much enthusiasm among young Burmans; a volunteer Air Force was being formed; and such local military forces as there were had been expanded. There was, however, a shortage of all forms of equipment and an absence of a military force of any size or power, for Burma's security was regarded as depending on that of Malaya. Preparations for defence were indeed handicapped by this attitude, for Burma from November 1940 onwards fell under the Commander-in-Chief, Far East, at Singapore, to whom Burma was a rear area of relatively small strategic importance, and not under the Indian Command which was more familiar with Burma's problems and better situated geographically for supplying her, and for which Burma formed an advance line of defence.

8. Despite these shortcomings, it may at least be said that Burma resisted longer than any other territory that was attacked by the Japanese in December 1941. The enemy forces first entered Burmese territory on the 11th December, in the extreme southernmost tip of the country near Victoria Point, but the real drive began on the 20th January 1942 when the attack across the frontier towards Moulmein began. The campaign may be said to have ended on the 15th May 1942 when Burma Army Headquarters crossed the frontier into India.

9. The invading forces had been accompanied by the Thirty Heroes, who gathered around them a band of young Burmans with the title of the Burma Independence Army. Many of these were former associates of the *Thakins*, but many also were merely ruffians who saw in the collapse of administration an opportunity for crime, in which they indulged freely. The circumstances also gave an opening for communal trouble and though on the whole Indians came off lightly, for the four hundred thousand and more of them who made their way overland to India were in general well treated by the Burmans on their way, the Karens of the Irrawaddy Delta suffered abominable atrocities at the hands of the Burma Independence Army. though on the other hand these outrages were no worse than those inflicted in the north of Burma on the Kachins by the disorderly Chinese troops of the Allied forces during their retreat.

Administration under the Japanese

10. To fill the vacuum caused by the withdrawal of the administration, the Japanese permitted the *Thakins* to assume charge. The Burma Independence Army set up in each area occupied by the Japanese a system of village, town and district committees, and after the fall of Rangoon on the 7th March 1942 these committees were to some extent co-ordinated by the establishment there of a central *Baho* government with *Thakin* Tun Ok, one of the Thirty Heroes, as Chief Administrator. This government proved utterly incompetent; the central administration consisted of inexperienced men, while those who assumed control elsewhere were in reality local gangsters who committed gross excesses. The Japanese Command realised that if the resources of Burma were to be mobilised in furtherance of the war-effort the services of the more experienced political leaders and of the Burman civil service must be enlisted, and on the conclusion of the campaign a meeting of leading Burmans was held at Maymyo on the 4th June 1942 at which a committee was selected to formulate a scheme for a new government. The Burma *Baho* Government was then terminated and though the Burma Independence Army remained for a time in being, it was deprived of political authority and at the end of July was reformed and brought under discipline, with the name of the Burma Defence Army.

11. There was no difficulty in finding Burmans to serve in both political and administrative capacities. Well-known figures of the pre-war political scene, notably Dr. Ba Maw, reappeared, and civil officers returned to their posts. It does not appear that there was great enthusiasm for the Japanese. Apart from the *Thakins* and the hooligans, the Japanese had received little aid from the populace during the campaign; the mass of people, of all ranks of society, had been appalled at the disaster which had occurred and were left stupefied, while the numbers actively supporting the Japanese in the field were not more than 4,000, though many more enlisted in the Independence Army in rear areas. For the most part the Burmans fled from the towns to the jungle and stayed there quiescent, while the hill Karens, the Kachins and the Chins maintained a stubborn resistance with such little aid as the British forces were at that time able to give. When the campaign had ended,

however, although the hill peoples continued the struggle under the most discouraging circumstances, the Burmans wished to return to their homes. Moreover, the official class, apart from fear of the consequences if they showed intransigence, felt an obligation to do what they could to keep the life of the country going, while the politicians were for the most part glad to adopt the same attitude.

12. Much of the former machinery of administration thus came into being once more, with at the head Dr. Ba Maw, appointed by the Japanese as Chief Administrator, and ten Executive Officers as heads of departments under Japanese tutelage; the Executive contained such experienced politicians as Dr. Thein Maung, who had formerly served as Minister of Commerce in Dr. Ba Maw's ministry, and U Ba Win, a former Member of the House of Representatives, as well as *Thakins* such as Than Tun, Tun Ok and Ba Sein. A Japanese military administration was, however, maintained in the Karenni and Shan States, except in the two states of Kengtung and Mongpan which were transferred to the Siamese as part of their reward for services rendered.

13. Political opposition was not allowed; all parties were amalgamated into the *Dobama Singyetha Asi Ayon*, essentially a coalition of Ba Maw's *Singyetha* Party and the *Thakins'* *Dobama Asi Ayon*, and thus the one-party state came into being. In 1944, when the Japanese had transferred the Shan, Karenni and Wa States to the Burmese Government, the *Dobama Singyetha Asi Ayon* was superseded by the *Maha Bama Asi Ayon* or Greater Burma Party, as an indication of the Burmese Government's intention to eliminate all differences of race and to weld all the peoples of the country into one Burmese nation.

Declaration of Independence

14. To ensure the support of the Burmese people, the Japanese conferred independence on Burma on the 1st August 1943, and on the same day the new independent government declared war on Great Britain and her allies. The conferment of independence had a very great effect: even although the independence was obviously a sham, it gratified Burmese vanity, which is considerable, and on the recognition of the new state by Japan, Germany, Siam, Manchuko, Nanking China, Croatia, Slovakia and Hungary was also gratifying.

The less sophisticated the individual, the more his vanity was tickled, but even the educated felt a certain glow of pride. The transfer later in 1943 of the Shan, Wa and Karenni States also had its effect; for the first time for over fifty years these were brought into one constitutional system with Burma Proper, as had long been demanded by the Burmese politicians.

15. Under the Government of Burma Act, 1935, the political class had enjoyed real power, but it was not apparent to the mass of people that the government was other than a British Government; whereas in 1943 the appearance of power was given, even though the reality was less than it had previously been; and in such matters sentiment counts for more than hard fact. It is also of importance that the administration was kept going after a fashion without any of the British personnel who had usually been regarded as essential for efficiency.

16. The new constitution inaugurated on the 1st August, 1943, established the dictatorship of Dr. Ba Maw who, under the title of *Adipadi* (Head of the State), began to assume an air of royal dignity and to adopt the style of the old Burmese Kings. The attitude of Dr. Ba Maw appears to have been a major factor in determining certain of the *Thakins* to seek an agreement with the British, for men who had fought in the field, such as the Burma Independence Army leader, Aung San, saw no reasons why they should be outshone by the civilian element, and there were also personal jealousies of long standing between Ba Maw and some of the *Thakins*; hence Ba Sein and Tun Ok were shipped off to Singapore, while Ba Maw suffered at least one attempt on his life. Moreover, the purpose of the Thirty Heroes had been to attain Burma's independence, not to place the country under Japanese control; and the domination of the Japanese in all departments of government, the exploitation of natural resources exclusively in the short-term interests of the Japanese war-effort, the exaction of forced labour for the Burma-Siam Railway, the general troubles which occur with an army of occupation, and still more perhaps the ultimate realisation that the Japanese were going to lose the war, determined the *Thakin* leaders to enter into relations with the British. As early as August 1942, the Communist Thein Pe, disillusioned with the Japanese, had made his way to India, and from the end of 1943 onwards there was a not infrequent exchange of emissaries. So, when the final

collapse of the Japanese was imminent and Mandalay had already fallen, in March 1945 the Burma National Army, as it was now called, deserted from the Japanese and transferred itself to the British. In the final stages of the campaign the Burma National Army, renamed the Burma Patriotic Forces, gave useful assistance to the British arms by interfering with lines of communication and cutting off stragglers and walking sick; it is estimated that they inflicted some 500 casualties on the enemy.

The Condition of Burma in 1945

17. When Burma was reoccupied in 1945 a military administration, recruited chiefly from former British civil officers of the Government of Burma, was introduced. This administration was faced with a vast problem in both the economic and the political fields.

18. The country, which had been fought over from south to north in 1942, had again been fought over from north to south in 1945, and the resultant devastation was relatively greater than that in any European country. The economy had been completely disrupted. For a hundred years Burma's economy had been linked with that of the British Empire, and the Japanese occupation had deprived Burma of both markets and sources of supply. Burma's chief export was rice, but the normal export to India and Ceylon had ceased in 1942; owing to shipping difficulties the Japanese exported little to Malaya; and Japan herself, never a large importer of Burma rice, could draw more easily on French Indo-China. Thus owing to lack of markets, rice cultivation had by 1945 been reduced to subsistence level; and in that year, although Rangoon was reoccupied on 2nd May, no immediate attempt was made to establish control in the Irrawaddy Delta, so that the chief rice-producing districts remained a prey to disorder until the ploughing season was over. Moreover, land which had once reverted to jungle could not easily be cleared again for cultivation. In the timber industry, the normal organisation for the extraction of logs had ceased in 1942, what stocks were in hand had not been exported for lack of shipping and markets, and the formerly reserved forests in the more accessible areas had been plundered of their timber for fuel. The oil-wells had been thoroughly wrecked in 1942 to deny their use to the enemy and had not been restored; mining elsewhere had similarly come to a standstill. Communications had

suffered severely; the denial policy in 1942, the operations of that year, subsequent air-bombing, and the operations of 1945, had caused the destruction of both rail and road bridges; roads had suffered from lack of maintenance; much of the permanent way had been removed for constructing the Burma-Siam Railway; there had been no maintenance of rolling-stock, and no importation of motor vehicles. The breakdown of communications had ended the normal internal trade, the essential element in which had been the exchange of surplus rice from the Irrawaddy Delta for surplus vegetables and cooking-oil from the dry zone of central Burma.

19. In the political sphere, it was inevitable that the effects of the upheaval of the years 1942-45 should be deep. It was not really possible to revert to the pre-war system, still less to revert to a bureaucratic system of government by officials. On the other hand, it was popularly expected in Burma that some action would be taken against those leaders who had supported the enemy, nor would such a measure have aroused much resentment at that stage, for they were commonly regarded as having been chiefly responsible for bringing in the Japanese with all the resultant misery. Dr. Ba Saw had fled with the enemy and later appeared in Tokyo, but Aung San was still in Burma, and the general expectation was that he would be proceeded against. But South-East Asia Command had entered into relations with him and he had thrown in his lot with the Allied forces, while an undertaking had been given that his Army would, so far as suitable, be incorporated into a regular Burma Army. Under these circumstances it was not possible to bring him to trial for treason, and this, together with intensive propaganda on his part, quickly built up a legend that he and his army had been the chief instrument in winning the war, with some slight assistance from the Allied forces.

20. A further complexity in the political situation was the growth of Communism. Before the war this was a negligible factor, although some of the *Thakins* inclined to it. In 1945, however, Communists in the British forces made contact with the local Communists to whom they gave encouragement and advice; Burmese Communists were even flown about the country, and on one occasion to India and back, in service planes. Only after the South-East Asia Command had been replaced in control in Burma by the civil government was this

stopped. The effect was to make the Communist party a powerful factor in the land.

The Restoration of Civil Government

21. Civil government was resumed on 16th October 1945, except in the south-eastern districts of Thaton, Amherst, Tavoy and Mergui, where, owing to the presence of large numbers of Japanese troops it was necessary to retain the Military Administration until 1st January 1946. The policy laid down by His Majesty Government in May 1945, based to some extent on plans drawn up by the exiled Government of Burma in Simla, affirmed the intention of promoting full self-government within the British Commonwealth, but proposed that during the necessary period of rehabilitation the constitution of 1935 should be suspended and that authority should be vested in the Governor, aided by a small and nominated Executive Council with possibly a nominated Legislative Council as well. Ultimately, when elections became practicable, a constituent assembly should be elected to evolve a new constitution for Burma Proper, while the Frontier Areas, whose peoples had rendered valuable service throughout the war and were mistrustful of the Burmans, should remain subject to the Governor. Three years was envisaged as the interim period.

22. In the economic sphere, in view of the desirability of leaving a free hand to the ultimate autonomous government, it was not planned to restore the former commercial and industrial concerns, which had been for the most part British or Indian, nor was it proposed to operate economic functions through inexperienced government departments; the plan adopted was to bring economic functions under government control by means of a series of Project Boards which would themselves operate through the former commercial concerns on an agency basis or by employing the personnel of such concerns.

23. Under the difficult circumstances with which it was faced, the civil government did much in the first twelve months to restore the country's economy and, in particular, to revive the rice trade, although full recovery was by no means attained. But the Project Boards, which were a vital part of the programme were viewed with suspicion by many Burmans as being only a disguised restoration of the old "exploitation" of the country; and despite all

efforts the shortage of consumer goods continued to be acute and prices were extremely high. Thus, while the cultivator had food, which he grew himself, he lacked clothing, mosquito-nets and other necessities; and the townsman, though better able to obtain clothing which reached the towns more easily than the villages, found its price high and the price of food higher still.

24. In the political sphere the flight of Dr. Ba Maw had left Aung San as the most prominent figure, and the collapse of the *Maha Rama Asi Ayon* had left the Burma National Army the only political organisation. Aung San had hoped to establish himself and his associates as the *de facto* government of Burma, and though this had not yet been permitted, the respect with which he was treated and, in particular, the invitation extended to him to negotiate with South-East Asia Command in September 1945 on the future of his Army gave him tremendous prestige. He organised, as a counterpart of his Army, a political party, the Anti-Fascist People's Freedom League, which sought to embody all the pre-war political parties, and to a great extent succeeded in doing so, so that the ground for the one-party state was again well prepared. The personnel of his Army who were not absorbed into the regular forces, he formed into a private army, the People's Volunteer Organisation, with the idea of utilising it in rebellion if his political aims were not satisfied. Aung San and his group had certain other advantages: whatever crimes they had committed, they had youth and enthusiasm on their side, they were, in general, sincere in their desire to benefit their country, they had not the reputation for corruption which affected most of those who had been more eminent in politics before the war, and they could claim the prestige of being soldiers. The Anti-Fascist People's Freedom League could thus be a powerful antagonist. On the other hand, for the time being the presence in Burma of an army of over a million men had a dampening effect and served to prevent serious trouble. But when the first shock of seeing so vast a force had worn off, and when in the early months of 1946 many of the troops had been repatriated, Burmese resilience reasserted itself.

25. At this stage the problem of law and order became serious. The police force had had to be completely reorganised after a hiatus of nearly four years; it had lost its

former sources of information; enormous quantities of arms were scattered about the country; communications were not yet normal; and thus the criminal element, always large, had its opportunity. Dacoity became so serious a menace in the early months of 1946 that the main road from Rangoon to Mandalay could be traversed only under armed guard, while cultivation suffered from the reluctance of the peasant to live in an isolated field-hut during the cultivating season or to attempt to accumulate money by growing a larger crop than was necessary for his own household.

26. It was apparent that the policy prescribed by His Majesty's Government would not satisfy the Anti-Fascist People's Freedom League, which aimed at nothing less than complete independence. An effort was made to bring the leaders into the interim system on reasonable terms, but without success. In November 1945 a nominated Executive Council of ten (later eleven) members who were virtually ministers, and shortly afterwards a nominated Legislative Council of thirty-four plus the members of the Executive Council, were set up. The members of these bodies were principally experienced politicians of pre-war days; the younger generation was unrepresented, for there was no agreement on the number of seats which they should have, and furthermore they were insistent on having the portfolio of the Home Department, which gave control of police and judicial affairs. Their insistence on this last point arose from the fact that, although the question of treason was no longer under consideration, charges of murder were hanging over the heads of some of them, including Aung San, and they felt that they would have no security unless they held the Home portfolio, whereas their avowedly revolutionary intentions rendered it difficult to give them control of this vital office. Thus the most powerful political organisation in the country remained in opposition and devoted itself to fomenting disorder.

The Triumph of A.F.P.F.L.

27. Unfortunately the members of the Executive Council proved ineffective; they had no following and so could exercise no political influence, while for the most part they were incompetent in their departmental administration. In January 1946 U Saw was released from internment and repatriated, but he found the re-establishment of his *Myochit* Party very uphill

work, for intimidation by the People's Volunteer Organisation was general, its local leaders being much the same gangsters as had exercised power in the days of the Burma Independence Army, and there was doubt of the ability of the British authorities to protect anyone who should show an inclination to dissent from A.F.P.F.L. Dr. Ba Maw, who was repatriated in August 1946, and who, in view of the treatment accorded to Aung San, was not proceeded against, was equally unable to form a party.

28. Large-scale demonstrations were organised by A.F.P.F.L.; illegal drilling by the People's Volunteer Organisation went on, with resultant clashes with the police; law and order, which indeed had never been fully re-established, now again broke down; and the troubles culminated in a strike of police and subordinate government servants in September 1946. This strike, which paralysed the administration, was due in part to real grievances, of which the extremists made good use: there had been a complete failure to cope with the problem of the cost of living, which was so high that subordinates could not live in decency on their pay once the issue of free rations, carried on for a time from the former military administration, was stopped; the failure of the Finance Department even to acknowledge a letter from the subordinates' organisation asking for remedial steps played into the hands of the opposition; and the strike which ensued quickly took a political complexion.

29. The strike effected a revolution, for it was ended only when the Executive Council had been dismissed and replaced by a new Council largely selected by A.F.P.F.L. With the new Council, in fact, Burma attained a national government, even if not self-government in any normal sense of the term since the leaders of A.F.P.F.L. were self-appointed. The Governor was now in the hands of his Council, for if he had ventured to oppose it the members would by resigning again throw the country into turmoil.

30. The Council contained other elements besides A.F.P.F.L. Thus U Saw was included, and also for a short time the Communist leader, Thein Pe. The Communists had split towards the end of 1945 into two sections, viz. the Burma Communist Party led by Thein Pe and Than Tun, and the Communist Party (Burma), known also as the Red Flag Communists, led by *Thakin* Soe; the main

difference in principle was that the Burma Communist Party was somewhat less violent in its attitude than the Communist Party (Burma) and was more ready to co-operate with A.F.P.F.L. within whose organisation it nominally remained; but the principal division was on personal grounds. The Communist Party (Burma) had been proclaimed an illegal association in June 1946, and though the new Executive Council lifted the ban, *Thakin* Soe's propaganda became so extreme that his party was once more declared illegal in February 1947. The Burma Communist Party also split finally with A.F.P.F.L.; it continued its propaganda unabated, and fomented agrarian and labour unrest, to the embarrassment of the new Executive, until in December 1946 the Party was expelled from A.F.P.F.L., though no legal ban was pronounced. Thein Pe had already resigned office. There was simultaneously a split in Aung San's private army, the People's Volunteer Organisation, a minority of which seceded and formed a Red Guard to support the Communist cause.

31. Although the new Executive Council had the government of the country in its hands, there was as yet no permanent solution of the constitutional problem. It was apparent that the proposed three years' interim period must be shortened, for the demand for self-determination was pressed by A.F.P.F.L. and there was reason to believe that unless some concession were made a country-wide rebellion would be instigated. Hence in January 1947 the principal Councillors were invited to London for discussions, as a result of which it was agreed that elections should be held in April for a Constituent Assembly whose decision on the country's future should be binding; pending the permanent settlement, the Government of Burma was to be treated in all respects as a Dominion Government. U Saw and *Thakin* Ba Sein refused to accept this agreement, which they declared was inadequate, and went into open opposition, seeing in the situation a chance of challenging the position of Aung San as the nationalist leader. The Communists also continued troublesome; they had taken advantage of Aung San's visit to London to assert that he was betraying the country, and had provoked violent disturbances in some areas; they incited another strike of government subordinates which again paralysed the administration; and by encouraging the looting of rice stores were

endangering the export programme on which the country's recovery and the welfare of much of South-East Asia depended. The Red Flag Communist Party (Burma) was once more outlawed, and though the Burma Communist Party was less overtly violent, it denounced the agreement effected in London. In central Burma the situation was completely out of hand; a Communist-dacoit dictatorship prevailed in some districts which a large military force including five infantry battalions was unable to subdue effectively before the rainy season terminated operations in May 1947.

The Constituent Assembly

32. The elections for the Constituent Assembly were held in April 1947; Dr. Ba Maw, U Saw and *Thakin* Ba Sein declined to participate, accusing A.F.P.F.L. of having sold the country to imperialism. There was no doubt of the result: A.F.P.F.L. obtained 176 seats, the Communists 6, while communal seats for Karens and Anglo-Burmans numbered 24 and 4 respectively.

33. At the meeting of the Assembly on the 10th June 1947, forty-five representatives of the Frontier Areas were also present, for the hill peoples had, willy-nilly, to throw in their lot with the Burmans. The Assembly resolved unanimously for complete separation from the British Commonwealth. This decision was almost inevitable. The stock arguments for Dominion Status are that it gives all the benefits of self-government with in addition the advantage of being linked for defence purposes with a powerful organisation, and that the time has gone when small independent states can hope to survive. To the Burman, however, the events of 1942 suggest that the organisation is not so powerful for defence as it thinks. Moreover, Siam has maintained her independence by skilful diplomacy: why should not Burma? Further, by virtue of being independent Siam escaped from the late war almost unscathed, whereas Burma, a part of the British Empire, suffered severely. But more important still is the sentimental argument: only by attaining complete and overt independence can the Burman be assured that the world regards him as a member of a free nation. To some educated Burmans, including many of the political leaders, it is true, the merits of Dominion Status formed a powerful attraction; but the rank and file felt otherwise, while the leaders had preached independence so vociferously that

they could not go back on their words; though in all probability they had, by way of bargaining, demanded more than they ever expected to obtain.

34. The new constitution provided for a Republic which should include all Burma, not excepting the Frontier Areas and the Karenni States; but considerable powers of local self-government were allotted to the Frontier Areas and the attempt to cope with this problem appears to have been genuine and statesmanlike. The constitution also made it clear that the nationalisation of industry and of public utility concerns was to be achieved.

35. On 19th July 1947 Aung San and the principal members of the Executive Council were murdered, a crime for which U Saw and certain of his followers were later convicted and executed. *Thakin Nu*, who had been Aung San's second-in-command in A.F.P.F.L., succeeded as leader of A.F.P.F.L. and as Premier. The catastrophe led to a short-lived rapprochement between A.F.P.F.L. and the Burma Communist Party, but this did not last; in November 1947 it was complained that the Communists had been trying to disrupt A.F.P.F.L. and to stir up general unrest. Unfortunately for A.F.P.F.L., many of its members were inclined towards the Communist programme and this was particularly so with the affiliated People's Volunteer Organisation. The danger inherent in existence of a private army now appeared. Since A.F.P.F.L. had won independence the P.V.O. had no further reason for existing and, without Aung San's influence to control it, was a source of embarrassment; an effort was therefore made at the end of 1947 by *Thakin Nu* to reduce it to a purely civilian status and to merge it with the Socialist Party into a Marxist League, but most members of the P.V.O. declined to sacrifice their separate identity or the prestige which the bearing of arms conferred on them; early in 1948 the project had to be abandoned, and the P.V.O., with its large proportion of Communists or fellow-travellers, has continued to be a source of danger to the civil government.

36. Meanwhile further discussions had been undertaken with His Majesty's Government about the terms of separation, and these were embodied in the Treaty of 17th October 1947 and the notes attached thereto. His Majesty's Government agreed to cancel £15 million of the sum which it had advanced to meet Burma's budget deficit, the balance together with the loans

advanced for rehabilitation to be repaid without interest over a period of twenty years beginning in 1952. A treaty of commerce and navigation was to be concluded at the earliest possible date, and pending this the Government of Burma would not take any action prejudicial to British commercial interests except for the purpose of nationalisation; in such cases there would be prior consultation with His Majesty's Government and equitable compensation would be paid. A services mission was to be provided by His Majesty's Government for the training of the Burma forces, and no similar mission was to be accepted from outside the Commonwealth; His Majesty's forces bringing help to Burma or to any part of the Commonwealth by agreement with the Government of Burma were to be given all reasonable assistance and facilities. On these terms the Burma Independence Act (11 Geo. 6, Ch. 3) was passed, and Burma became "an independent country, neither forming part of His Majesty's dominions nor entitled to His Majesty's protection" at 4.20 a.m. on the 4th of January 1948, the hour which the prevailing school of astronomers selected as most propitious for the purpose.

External Affairs since 1945

37. On the return of the British forces in 1945, the Shan States of Kengtung and Mongpan were reoccupied; since then relations with Siam have presented no difficulty. Relations with both China and India, on the other hand, have not been easy. During the campaign of 1944-45 American-trained Chinese troops were operating in northern Burma, considerable areas of which are often claimed by Chinese publicists as properly part of the ancient heritage of the Chinese, and it was apparent that among the Chinese commanders there was a disposition to take advantage of the fortunes of war to remain in occupation of the districts in which they were stationed. Not till the final withdrawal of the Chinese troops at the end of 1945 was the situation clarified; even after that, in February 1946 a Chinese force of nearly four hundred men crossed the frontier and occupied Waingmaw, across the Irrawaddy from Myitkyina, on the pretext that they had come to take over engineering installations on the Paoshan-Myitkyina road and to arrest Chinese deserters. The attitude of the commander of the force appeared to indicate that a permanent occupation was intended, and only when

representations had been made at Chungking and a powerful military force had been assembled in the Myitkyina area did the Chinese withdraw, after remaining within Burma for nearly five weeks. Since then reports have appeared in the press that Chinese spokesmen have asserted a claim to much of northern Burma and there have been vague reports of the despatch of Chinese survey-parties to the frontier area. There have been minor frontier incidents, such as the removal of boundary-pillars and incursions of bandits, but these are troubles which are almost inevitable on a remote and poorly-policed frontier.

38. Perhaps more important is the problem of immigration; Burmese nervousness of a possible influx of Chinese along the Burma Road continued to find expression in the local press, and though the Immigration (Emergency) Act of 1947 was directed principally against Indians, it was applied also against the Chinese.

39. Relations with India likewise turned principally on the difficult problem of immigration. No satisfactory solution of this problem had been reached in the discussions held between the Government of India and the exiled Government of Burma during the war, and the position remained uncertain in 1945. The Government of India itself, however, was averse to permitting Indians to migrate to Burma until suitable provision for their protection had been made, and although Indians who had definite employment were permitted to go to Burma and were not impeded by the Burma authorities, the movement of casual unskilled labour was checked; moreover, shortage of shipping was an even more effective impediment. As conditions settled down, however, Indian immigration began once more on a considerable scale, and while it could be controlled on the sea-routes the long unguarded land-frontier presented more difficulty. In June 1947, therefore, the Burma Immigration (Emergency) Act was adopted, tightening up restrictions. This measure evoked protests from the

Government of India, and the problem remains still unsolved.

40. A minor cause of friction during 1947 was a demand by the numerous Muslims in the northern parts of Arakan, principally in the Maungdaw and Buthidaung areas, for incorporation in Pakistan, many of these Muslims being of Indian rather than of Burmese race; but the authorities of Pakistan disclaimed any interest in the matter. Similarly a revival in 1947 of an ancient claim to the Kabaw valley, in the Upper Chindwin District, by the government of Manipur was not taken seriously in any quarter, although it evoked a suggestion in a Burma periodical that the Burmese might revive their ancient claim to Manipur and Assam.

41. The Governments of India and Pakistan, more particularly when the independence of Burma was approaching, evinced some concern about the financial interests of their nationals in Burma. Many of the Indian money-lenders and landlords withdrew to India at the time of the Japanese invasion in 1942, and those who remained in Burma found it necessary to be discreet in their conduct; some of the evacuees came back after the reoccupation, but it proved impossible for Indian claims to be enforced. Loans could not be recovered nor rents collected, for the cultivators declined to pay and, without the use of far more force than was available, could not be compelled. Furthermore, in December 1947 legislation was adopted in Burma prohibiting the transfer or lease of real estate to foreigners, and since with independence Indians would in general have the status of aliens in Burma the sale value of their property was thus radically reduced. The relations of Burma with the Indian dominions were thus by no means happy at the time when Burma finally severed herself from the British Commonwealth.

B. R. PEARN.

*Foreign Office Research Department,
9th July, 1948.*

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE BURMESE FOREIGN MINISTER

Situation in Burma

Mr. Bevin to Mr. Bowker (Rangoon)

(No. 173)

Foreign Office

Sir,

28th July, 1948.

The Burmese Foreign Minister came to see me on 28th July. After welcoming him to this country, I asked him whether there was anything which we could do for him. He replied that he had no special object in calling, though he would like to take the opportunity of ensuring that we did not misunderstand the Burmese policy.

2. I said that we had been concerned at the way things had been developing in Burma. When the Burmese Prime Minister had issued his programme and made his subsequent speech, we thought that some clarification was required. Subsequently we had received U Tin Tut's explanations but I should like to know how matters stood at present. We wanted to be sure that the treaty would be observed in the spirit in which it had been signed. We were trying to fulfil our part of the bargain and we hoped that the Burmese Government would fulfil theirs. The position of the British firms still seemed to be uncertain.

3. The Foreign Minister explained that there had been some misunderstanding regarding Thakin Nu's speech, which was meant to be a clarification of the earlier programme. The programme itself was not binding on the Government and had not been accepted by the Government. It was the programme of the A.F.P.F.L. and Thakin Nu had now dropped the controversial fifteenth point in it, relating to the propagation of Marxist doctrine. He had made it clear that this was in no sense part of any official policy, but up to the individual believer. He said that the Government were determined to make a full-scale drive against the Communists, that they were determined to carry out the treaty and wished to maintain their friendship with this country.

4. Commenting on the party programme, I suggested that they would have their hands full enough with fourteen points. Even President Wilson's fourteen points caused some trouble after the last war. My own feeling was that, with programmes of

this kind, it was wise to take a few points at a time rather than try to carry out too much at once.

5. As regards nationalisation, I said that it was important from the point of view of confidence in the future of Burma that our people, many of whom had made their livelihood in Burma, should be fairly treated. It was not only a question of money. It was a question of their knowing what their future would be. I said that, even in an old country like ours, nationalisation had to proceed by stages in accordance with what was practicable. You could not take over until you were sure that you could manage after you had taken over. I thought it should be possible to reach a good understanding with the firms so long as they knew where they stood and were taken into Burmese confidence. If they were fairly treated, I felt sure that they would be willing to co-operate in the transfer, and many of their employees and managers would stay on and see the Burmese through. I instanced the Gezira scheme in the Sudan, which, having started as a private venture, had become so large that it now required to be taken over by the Government. The take-over was two years ahead but the Sudan Government were already engaged in working out the terms of service and so on of the employees.

6. The Foreign Minister said he entirely agreed with all this. He admitted that, partly for reason of internal politics, the Burmese Government had rushed nationalisation in the case of the concerns already taken over. His own policy, which he said was now accepted by the Cabinet, was to work out a common plan with the firms as I had suggested. He thought that discussions were now beginning on that basis. He agreed that compensation must be paid in a negotiable form, though the Burmese Government could hardly afford the whole sum at once. He himself was in favour of some immediate cash payment, but in any case payment, even if over a period, should be transferable. He said that there was no immediate intention of taking over other

concerns and that the proposal for nationalising part or whole of the export-import business, though in the A.F.P.F.L. programme, had not been accepted by the Government.

7. As regards the drive against the Communists, U Tin Tut said that the Government were most grateful for the material assistance which we had given them but wanted more if possible. He hoped that he would be able to discuss this with the Ministry of Defence and I promised to arrange this.

8. I said we wanted to help him over this if possible. I was glad to hear that his Government were planning to go all out against the Communists. Their one and

only policy everywhere, if they could not get their way by political means, was to start civil war. I thought one day the Russians would find themselves in difficulties over this policy, because the whole world was turning increasingly against them. It was heartening to find, for instance, over Berlin how much support we had received everywhere for our firm stand.

9. Finally, he said that he was the bearer of letters of greeting from Thakin Nu to the Prime Minister and to the Chancellor of the Exchequer, which he hoped to be able to deliver in person. I undertook to arrange this also.

I am, &c.

ERNEST BEVIN.

F 15279/1371/79

No. 16

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE BURMESE FOREIGN MINISTER

Situation in Burma: (1) Communism; (2) Nationalisation

Mr. Bevin to Mr. Bowker (Rangoon)

(No. 264) *Foreign Office,*
Sir, *29th October, 1948.*

The Burmese Foreign Minister called on me on 29th October, accompanied by U Ohn.

2. Discussing the situation in Burma, U Kyaw Nyein said that at one time the situation was very serious indeed, but the Government had succeeded in defeating the battalion which had mutinied and to-day the situation was under control. He estimated that there were not more than about 100 Communist leaders throughout the country, with a following of some 2,000 or 3,000. But they were able to take advantage of conditions prevailing after the war and to rally discontented elements. In order to meet the situation, the Government planned to nationalise the land and to improve conditions for the population, while at the same time proceeding to destroy the rebels. U Kyaw Nyein referred to the fact that the Communists had outside contacts and mentioned in particular India.

3. On the subject of nationalisation, the Foreign Minister said that the Burmese Government realised that they had

muddled the nationalisation of inland water transport. On the nationalisation of land and of timber they knew where they stood, but they now realised that they must seek advice on the question of the nationalisation of industry, and they were anxious to learn from us. U Kyaw Nyein said that he had already discussed various questions with the Chancellor of the Exchequer and that his party hoped to make other contacts before returning to Paris next week. In Paris they hoped to have discussions with the United Kingdom delegation. Referring to Burma's relations with her neighbours, the Foreign Minister said his Government were anxious to maintain good relations not only with India but also with Pakistan and with Siam.

4. I took the opportunity to urge upon the Foreign Minister the desirability of proceeding with caution over nationalisation in order to ensure that there was no interruption in the economic life of the country. This, he said, they intended to do.

I am, &c.

ERNEST BEVIN.

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SECRET

(17826)

FURTHER CORRESPONDENCE

RESPECTING

INDIA, PAKISTAN AND

CEYLON

PART 2

January to December 1948

The following pages include all chapters of Confidential Print No. 17826.

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PART 2.—JANUARY TO DECEMBER 1948

CHAPTER I.—INDIA

(A) Miscellaneous

C.R.O. ref. Pol. 6359/48

F.O. ref. F 1950/76/85

No. 1

SITUATION IN INDIA AND PAKISTAN

*Sir T. Shone to Mr. Gordon-Walker. (Received in Commonwealth Relations Office
24th January)*

(No. 9. Confidential) *New Delhi,*
Sir, *15th January, 1948*

I have the honour to transmit to you herewith the record of a long talk between Mr. Shattock of this Office and Sir V. T. Krishnamachari, Prime Minister of Jaipur. The views expressed are of great interest and give much food for thought at the present time, when relations between the two new Dominions are so strained.

2. Sir V. T. Krishnamachari's main theme of the vital mistake of partition quite obviously conditions his outlook on every aspect of the Indian scene. I myself find it hard to agree with his point of view that a civil war, while Britain still held the responsibility for India, would have been preferable to partition. I should have thought that, from the Indian point of view, such a war would not only have resulted in far greater casualties than those which have so far taken place in the disturbed areas of northern India, but might have resulted in the disintegration of the whole country, while from our point of view such a "solution" of the Indian question would have been quite unthinkable, since we should have been held responsible by world opinion and been blamed by both Hindus and Muslims for allowing such a state of affairs to come to pass.

3. We have not been able to discover the exact numbers in India of the Rashtriya Swayam Sevak Sangh mentioned in para-

graph 4 of the record, but all the available evidence goes to show that membership is growing and that in the U.P. the Provincial Government are particularly apprehensive of the increasing activities of this body. It is probable that "Sir V.T."—to use the short name by which he is so well-known—has exaggerated the size of the movement greatly, but its importance as a force in the north of India, the C.P. and Maharashtra should not be underestimated. It attracts young Hindus who dislike the restraining influence of Gandhi and Nehru and all those who are becoming affected with anti-Muslim bitterness. In fact, the R.S.S.S. is likely to become the private army of the section of Hindu reaction which wishes to make the Indian Dominion a Hindu theocratic State.

4. Despite the recent Lucknow Conference of the Nationalist Muslims under Maulana Abdul Kalam Azad, which advocated the integration of Muslim political life with parties (other than the Muslim League) now existing in India and especially the Congress, it is evident that the Muslims of the Indian Dominion, as a whole, have no fixed policy and are, in fact, thoroughly demoralised. While in most of the provinces the treatment of Muslims cannot be said to be in any way discriminatory or harsh, in the U.P. and C.P. they are from all accounts experiencing harassment at the hands of the provincial officials

just as in the past they were harassed by the pre-war Congress ministries. It was on this discriminatory treatment that Mr. Jinnah was able to base his demands for Pakistan with some show of justification. The fate of the Muslims in the Union will depend much in the near future upon the outcome of the present inter-Dominion imbroglio, coupled with the extent to which the Central and Provincial Governments are able to control the extremist groups such as the R.S.S.S. and the Sikh and Hindu refugees from Pakistan. Unless this control is successful, the present demoralisation of the Muslims and their mistrust of the Indian Government cannot be checked and will result not only in counter-suspensions being entertained by the Hindus as to Muslim loyalty to the Indian Union, but in a further deterioration in inter-Dominion relations. Mr. Suhrawardy, whom I saw yesterday, was in a state of extreme gloom about the Muslims in India. He talked of suicide as the only prospect, if Gandhi's fast or some other miracle did not bring about decent relations between India and Pakistan.

5. The Hindu Mahasabha, mentioned in paragraph 8 of the enclosure, has not, according to such reports as have reached us, seen a great increase in its membership, but I would agree with Sir V. T. to the extent that Mahasabha ideology in the Congress itself has increased considerably and will continue to increase so long as India and Pakistan fail to reconcile their differences.

6. Sir V.T.'s suggested solution of the Kashmir question (paragraph 10) is interesting in that it crops up at intervals, as Mr. Shattock's remark shows, and it was advocated in the *Statesman* as recently as Sunday last, when the main leader by Mr. Ian Stephens contained the following passage:—

"Since neither Dominion is prepared to agree that Kashmir State as a whole should accede to the other, remaining choices are two: that it be partitioned, which apparently neither wants, or that both exercise a condominium. The latter amidst present acerbities may seem unpractical but should nevertheless not be thrust from mind, for could it eventually be contrived, it would be a splendid exemplary exercise in neighbourly collaboration, heightening the prestige of the peoples of this sub-continent throughout the world; and could moreover be made to lead on to joint arrangements

for defence and security generally, from which the afflicted non-political multitudes would be great gainers."

This solution would naturally appeal to Sir V. T. with his ultimate hope of seeing India and Pakistan reunited at least on the subjects of Defence, External Affairs, and Communications.

7. The views in paragraph 11 on the Russians are not, I believe, borne out by the history of the Communist movement in India. Very few Muslims seem to have joined or figured in the Communist Party in India, partly on religious grounds but mainly because Communism is largely beyond their mental grasp. If, of course, the Soviets could satisfy Pakistan *on religious grounds* that their interests were much in common (with the mutual bond of Soviet Turkistan) and offer protection and help, especially if in the meantime Pakistan felt that she had been let down by Britain, it is possible that Sir V. T.'s gloomy prognostications might be justified. I understand that Sheikh Abdullah in Kashmir, Iftikharuddin in the West Punjab, and Khan Abdul Qayum in the N.W.F.P., are all political adventurers of a type to whom "fellow-travel" with the Communists might appeal should it appear to serve their own ends. Perhaps these are the Muslims whom Sir V. T. has in mind. At the same time I would add that Sir V. T.'s views are very much in line with current Indian propaganda which has shown a tendency to attempt to make British, or rather Anglo-American, flesh creep with the Soviet boggy over the Kashmir issue, in order to justify before non-Soviet world opinion India's claim to Kashmir from the strategic point of view.

8. On the whole Sir V. T. is perhaps not wide of the mark in saying that the prevailing attitude of Indians to the British is one of indifference (paragraph 15 of the record) but this attitude is liable to change for better or worse, depending on the mercurial emotions of the Indian leaders. The main factors which will affect the barometer of Indian emotions will, I suppose, be the degree to which Britain supports or fails India in the international field and the extent to which Britain provides, or fails to provide, what India wants (or thinks she wants) in the way of supplies, &c. The recent gift by the British Government of £20,000 to the India and Pakistan Relief Fund occasioned the kindest words from the *Hindustan Times* on 10th January which have been seen for many a long day.

9. I am sending copies of this despatch to the High Commissioner for the United Kingdom in Pakistan and the Special Commissioner for South-East Asia.

I have, &c.

TERENCE SHONE.

Enclosure in No. 1

Record of Talk between Mr. Shattock and Sir V. T. Krishnamachari

I had a very long talk with Sir V. T. Krishnamachari, Prime Minister of Jaipur, on 6th January about the general situation in India and Pakistan. I got to know him very well in 1940-1942, when he was Dewan of Baroda and I was Secretary to the Resident for Baroda and the Gujarat States.

2. I was surprised to find him as gloomy as he was about the general situation, particularly as nothing in Jaipur's recent history could have soured his general outlook. In brief he laid all the blame for the country's troubles on the decision taken by the three leaders in June last to partition the country. He had straightaway felt it to be a tragic mistake. He had hoped that Mahatma Gandhi would have refused to accept it and would have led a movement against it. A civil war on the issue of India remaining one would have been infinitely better than partition and far fewer lives would have been lost than has actually been the case since September last. Every sensible thinking person had realised in their hearts what disasters would follow in the train of partition and all knew that the Sikhs would never accept this situation; but the vision of almost all in the days preceding 15th August had been clouded by muddle-headed "wishful-thinking."

3. In his own State of Jaipur serious trouble had been staved off by vigorous military action in spite of shocking massacres in the neighbouring States of Patiala as well as Alwar and Bharatpur; in the two latter the State authorities had at first been averse to checking the trouble and subsequently when they wanted to do so, had been found completely incapable of bringing it under control. Early in the disturbances 10,000 Muslims had been massacred in a Patiala town near Jaipur border. A number of Muslim refugees poured into the State; he sent a trainful of soldiers to the frontier and when it arrived the Officer Commanding found a mob of

Hindus and Sikhs (mostly non-Jaipuris) about to massacre the Muslim refugees who had congregated there. One of the leading Sikhs in the crowd asked the Commanding Officer why they should not follow the "shining example of Patiala" and it was only after the military had opened fire and killed several of the Hindu-Sikh mob that they let the Muslims go. This action early on had an excellent deterrent effect in the State and, in his opinion, saved the trouble from spreading all over Rajputana. In spite of this about 20,000 Muslims had congregated in Jaipur for refuge. He had now arranged to get most of them to return to their homes but he had to confess that if he now withdrew the local contingents of State troops stationed in these Muslim areas their lives would not be safe. Only four or five days ago a party of Hindus from Alwar, armed with modern rifles, had come into the State and murdered several Muslims not out of any personal grudge but just because they were Muslims.

4. Again in nearby Ajmer there had recently been serious communal trouble. Pandit Nehru had told him only last week after he had paid a visit there (as a result of repeated requests from Hindus in Hyderabad (Sind) who had been experiencing trouble there following on the arrival of Muslim refugees from Ajmer) that it was entirely the work of the Hindu Rashtriya Swayam Sevak Sangh. Sir V. T. said he understood that the R.S.S.S. had 4 million members in the neighbouring Province of the U.P. and that the Provincial Government were most apprehensive of them.

5. In his tours of the villages in the Jaipur State, Sir V. T. said he was always encountering the most bitter attitude on the part of the local Hindus. They all said to him, "No Hindus and Sikhs can live in Pakistan. The Muslims of India and of this State worked for Pakistan. Now they have got it. Why don't they go and live in it?" He said he was afraid this attitude was now common to all Hindus as far south as Hyderabad and that it would extend even to Madras if the Nizam should decide not to accede to the Indian Union.

6. Partition, and these consequences following on it, had had a disastrous effect on the Muslims of the Indian Union. They were now thoroughly demoralised in every way throughout this northern part of India. Even the highly cultured Muslims of the U.P. felt lost since the departure for Pakistan of Khaliqa-ud-Zaman, the former

Muslim League leader of that Province. Sir V. T.'s own Chief Secretary in Jaipur was a Muslim but he had told him (Krishnamachari) that once the latter left the State there would be no hope for local Muslims and would he assist him now to sell up all his property, realise the resulting hard cash so that at a moment's notice when it became necessary he could leave for Pakistan.

7. So long as partition lasted this state of insecurity of the Muslims of the Indian Union would continue. Though many had already become very bitter to Pakistan for having left them in the lurch they would continue, not in the shape of a spectacular mass migration like the Punjab but in small groups, to go on filtering away to Pakistan until in due course this movement would in the aggregate assume such dimensions as to ruin Pakistan's economy. He said that a filtering movement of this kind was taking place in the converse case of Hindus from Eastern Pakistan to Western Bengal. Already as many as 1 million Hindus had left for Western Bengal. I said that all the figures which I had seen had suggested that the movement was confined to 100,000 or so. He felt sure, however, that I was wrong and that his figures were right.

8. Partition and the disastrous troubles coming from it had also caused a great strengthening of the Hindu Mahasabha and the R.S.S.S., while a large part of the Congress was now imbued with a Mahasabhaite ideology. If partition had come to stay, Pandit Nehru's policy of a democratic secular State, assisted by the efforts of Mahatma Gandhi, was a vain dream; and Nehru himself, who had such a small following in the Cabinet, was doomed.

9. Again, so long as partition lasted, there was no possibility of any final permanent settlement between the two Dominions. Crises would continually occur and patchwork settlements would be improvised but of no lasting value. The only possible solution—and the only hope of Pandit Nehru and his ideology surviving—was a reunion of the two Dominions on the basis of their having common defence, external affairs and communications. Nothing short of this could save ultimate disaster.

10. The starting point for the introduction of this policy should be in Kashmir, where the only feasible solution was joint-Dominion control over Kashmir's defence, external affairs and communications. (It will be remembered that V. P. Menon made this same suggestion to Mr. Symon and

myself in the very early stages of the Kashmir troubles at the end of October.) He was against any partition of the State now, though if it were ever possible to hold a referendum there—and he thought this would be administratively impracticable for a long time to come—he imagined it would result in the State being partitioned in accordance with the way the voting would go in each particular area. He thought that the referendum in the Valley of Kashmir might well go in favour of India after what the tribesmen had done. He himself had no faith whatever in Sheikh Abdullah and thought he was a pure adventurer. He hoped that the result of India's reference to U.N.O. would lead to an impartial Commission coming out here which might be successful in bringing the two parties together. When I asked him point blank whether he thought the two Dominions would actually come to blows over Kashmir he replied, "No, I don't think this will happen."

11. When I asked him if he thought that the Russians had got a hand in the Kashmir business he said very emphatically, "No, not at present; but they certainly will if the trouble goes on much longer. And their intervention will affect Pakistan far more than India, because Muslims are far more willing listeners to Socialism and Communism than Hindus are. Already there is a strong undercurrent of these two ideologies in Pakistan." (This was identically the view expressed by Sardar Patel when the same question was put to him at a lunch party in Sir Terence Shone's house early in November.)

12. As regards the Sikhs he did not think they would go so far as to demand an independent Sikhistan though the Maharaja of Patiala might well toy with the idea. But they would probably demand and obtain a very large measure of autonomy and might in due course only be linked with the Central Government in defence, external affairs and communications. So long, moreover, as partition lasted and their Gurudwaras were in a different country they would never be at peace with Pakistan and might well attempt to get back the Pakistan-frontier districts, so dear to them. They were already trying to establish themselves exclusively in the East Punjab to the considerable annoyance of the Hindus. As an example of this, the Hindu President of the Gurgaon Congress Committee had asked him to intercede with the Rulers of Bharatpur and Alwar to stop the Meos

(Muslims) from going to Pakistan as they were far more preferable than the incoming Sikhs from the West Punjab.

13. The continued partition of India on communal lines, Sir V. T. said, would also have a most serious effect on the Indian States. As a result of partition two of the most powerful States—Hyderabad with its Muslim Ruler and Kashmir with its Hindu Ruler—would in course of time disappear off the map of a partitioned Sub-continent. For example, Hyderabad would have to accede to the Indian Union (or disappear straightaway); accession would lead to responsible Government; and in due course the huge Hindu majority in Hyderabad and surrounding it would have done with a Muslim constitutional monarch. The disappearance of two of the most powerful States would be bound to have the most serious repercussions on other States both large and small and would encourage anti-State movements to hope for similar results elsewhere. He had warned the Nawab of Bhopal about this early in 1947 when he was Chancellor of the Chamber of Princes and had urged him to give his brother Princes a lead against partition. But he had replied that he could not take up an attitude contrary to the Muslim League's official policy. Sir V. T. added that the Nawab had not attended the Maharaja of Jaipur's recent silver Jubilee celebrations but had written a very nice letter to the Maharaja thanking him for all his administration had done to protect Jaipur Muslims and thereby preventing the spread of communal trouble elsewhere in Rajputana.

14. Sir V. T. then turned to the question of internal constitutional advance in the States. He was not averse, he said, to responsible Government and was working out a plan for its introduction in Jaipur but the Ministry of States was setting far too rapid a pace. It was a great mistake to bring it in so fast and it would lead to a good deal of administrative and other forms of dis-

order inside the States because the politicians who would get control were completely inexperienced and the people were not ready for such a hurried dose of democratic institutions. He could not in Jaipur counter the prevailing breeze and he must act quickly enough to ensure that the Maharaja gave it of his own free-will rather than as a concession to a public demand or agitation. Sardar Patel, he said, was the dynamic force behind the changes of the last few months and the merger movements. The Sardar certainly listened to what V. P. Menon, his Secretary, had to say, but the latter was really little more than his loyal lieutenant and mouthpiece.

15. He went on to say that he would exert all his efforts in the coming months in the Constituent Assembly to keeping India within the British Commonwealth. He thought there was a 50-50 chance of their staying in despite the former bitterness. (To-day the prevailing attitude of Indians to the British was one of indifference.) He thought the chances of Pakistan staying in no greater. It was in his opinion essential for both to remain as members because that was the surest way the limited reunion of the two Dominions could be achieved. If one Dominion remained in and the other went out then of course his hopes could never be realised.

16. I have recorded Sir V. T.'s views at such length because he commands considerable respect both in the Indian Cabinet and amongst the Rulers of the Indian States. He played one of the leading parts in bringing the latter into the Indian Union and both sides look upon him with trust as an "elder statesman." Moreover, his viewpoint is probably as disinterested as one as can be found in the turbulent political scene of contemporary India.

J. S. H. SHATTOCK.

7th January, 1948.

ASSASSINATION OF MAHATMA GANDHI

Mr. Symon to Mr. Noel-Baker. (Received in Commonwealth Relations Office, 11th February)

(No. 25)
Sir,

New Delhi,
4th February, 1948

I have the honour to address you regarding the main events of the last few months of Mahatma Gandhi's life and the tragedy of his assassination. It was a strange coincidence that a fortnight after the transfer of power he took up his residence in New Delhi in Birla House exactly opposite the Office of this High Commission. Here he remained until he met his tragic death on 30th January.

2. During these months Birla House became the focal point of political activity for all India. Day after day, the most important personages in the Dominion of India, as well as its most distinguished visitors, came to see the Mahatma here. Pandit Nehru and Sardar Patel, when they were not away from Delhi, were almost daily visitors. Next to these was Rajkumari Amrit Kaur, the Indian Christian Minister of Health, and one of his closest disciples, as well as Maulana Kalam Azad, the Nationalist Muslim Minister of Education. Jai Prakash Nerain and other Socialist leaders were also frequent visitors. Provincial Governors and Prime Ministers, too, always called on him when they visited Delhi and meetings of the All-India Congress Committee or the Party's Executive Committee were invariably held in Birla House. While Mr. Arthur Henderson, His Majesty's Secretary of State for Air, was one of the last visitors from abroad to pay the Mahatma his respects.

3. Day after day people of all communities, rich and poor, came to visit him for guidance, assistance or consolation. Many of these were Sikh and Hindu refugees from Pakistan who had suffered personal bereavements and the loss of their homes and who were not only embittered by their experiences but impatient also at the lack of assistance they considered they were receiving from the Indian Government. Day in and day out, too, Muslims of all classes of society, many of whom had also suffered personal bereavements in the recent disturbances, came to invoke his help. Normally too fearful even to leave

their homes, they came to him because they had learned and believed that he had their interests at heart and was the only real force in the Indian Union capable of preserving them from destruction. Little groups of them, often belonging to the humblest classes of society, and including women, were frequently to be seen waiting outside the gates of Birla House until the Mahatma had time, as he always did, to listen to their requests. And each evening during these recent months congregations—again made up of all classes of society, including many young men and members of the Indian Defence Services—were assembled for his prayer meetings and listened to his daily exhortations that all races and creeds belonged to India; that all have the same rights; and that they must live in peace and amity together. There must be no retaliation on either side and conditions must be restored under which Muslims could return in safety to their homes in Delhi and non-Muslims to Pakistan.

4. It would be a mistaken impression, however, to suppose that Gandhi devoted these last months of his life exclusively to social and humanitarian tasks. Through this constant stream of visitors he was able to keep in remarkably close touch with Indian opinion and continued to play a most important rôle as the principal adviser of the Indian Government on all major political issues. Scarcely any important decision was taken without his prior advice, whether the subject was the movement and rehabilitation of refugees, Congress policy or the Kashmir issue. And when he disagreed with any decision taken it was not long, as in the recent case of the non-implementation of the Indo-Pakistan financial agreement, before he took determined and successful steps to have it revoked.

5. It was not possible for us in this High Commission to remain unaffected by all that went on so nearby. The bustle and activity that took place daily in Albuquerque Road, changing it from one of the most secluded to one of the busiest thoroughfares in New Delhi, could not be overlooked by anyone. On many occasions members of the staff paid visits to his

evening prayer meetings and from time to time were received by the Mahatma with the utmost courtesy and good humour. During his recent fast and after the bomb explosion of 20th January, I and other members of the staff paid our good wishes to him; while on the night of 30th January two members of the staff, who had gone to attend the evening prayer meeting, were standing only a few yards away from him when he met his death. Over and above this, British visitors who had been granted interviews by him during recent months were wont to cross over the road and give us the latest personal impressions of what he was doing. Furthermore, it was impossible for any of us, as we went in and out of the office, to overlook and to be unmoved by the daily stream of refugees and Muslims who had waited upon him. In the result, it seems to us, that despite his past political vagaries—and these have been many—Gandhi in these latter months genuinely came to believe that the future well-being of the Indian Union was entirely contingent on communal concord and that, if need be, he was prepared to sacrifice his life for this cause. By his death the Muslims in the Indian Union—and may be the British in India, too—have lost their best friend.

6. I now turn to the chronological events of the last five months. It will be remembered that Mahatma Gandhi arrived in Delhi at the beginning of September at the time the communal disturbances here were at their worst and immediately after his successful efforts, culminating in his short fast, to restore communal peace in Calcutta. On his arrival he made a solemn affirmation that he would remain here until either he died or communal harmony should return to the city. Straightaway he began to inveigh against communalism and to preach in a frightfully bitter atmosphere the gospel of peace and goodwill. "Do you (the Hindus)," he said at one of his early prayer meetings, "really want to turn the Delhi Jama Masjid, the Taj at Agra and the Aligarh University into Hindu institutions." His audience at Birla House in the early days after his arrival were extremely small; perhaps not more than 40 or 50 attended. And when he held a prayer meeting one evening in Old Delhi—the only one held outside Birla House during all these months—he was forced to abandon it because of Sikh opposition to his habitual practice of including recitations from the Koran in addition to other

religious books. About this time I had occasion to discuss his mission with one of his oldest and closest friends. I can well remember his somewhat gloomy comments. Firstly, that the Mahatma was losing ground because of the growing bitterness among the common people following on the communal disturbances; secondly, that whatever Gandhi might say, he would always remain as the Mahatma in the minds of his people; thirdly, that though Gandhi's gospel was right, it was somewhat impracticable in the circumstances then existing; and, lastly, that Gandhi never changed in his beliefs and he would go on expressing his views until the end.

7. As the weeks went by, his congregations began to increase in size and included a number of Muslims who previously had not dared to leave their homes. There were prospects, very slight admittedly, that people were beginning to heed his exhortations and that the "peace of the sword," to quote his own words, might possibly be replaced by something more real and lasting. The conciliatory-phrased resolutions of the meetings of the All-India Congress Committee held in Birla House early in November gave added grounds for hope. But these were unfortunately soon belied. The Kashmir issue brought a worsening of communal relations. The influx of more and more Hindu and Sikh refugees from Pakistan with their uncompromising bitterness towards the Muslims, as well as their determination to occupy Muslim property in the city by force, made the Delhi situation as tense as ever it had been before. Delhi Muslims too either continued to show a desire to leave for Pakistan by going on moving into refugee camps or gave further proof of their uneasiness by leaving their own homes in the mixed localities of the city and concentrating themselves in those areas where Muslims had a preponderating majority. Though no serious incidents occurred during November to early January it was clear to all that Gandhi had achieved no real success in his mission.

8. Against this background, the ever worsening character of inter-Dominion relations, the riots and looting in Karachi and the strained relations of Pandit Nehru and Sardar Patel, Gandhi entered upon what proved to be the last of his many fasts. His action immediately evoked expressions of goodwill from all over the world including Pakistan and on the third day of the fast the Indian Government as

a gesture to him announced their willingness, in flat contradiction to their determination of a few days previously, to implement the recently concluded Indo-Pakistan financial agreements. They also declared that within a week every non-Muslim refugee in Delhi would be found a fresh home or shelter. Three days later on 18th January, Gandhi agreed to break his fast on receiving assurances from all communities in Delhi that Muslim life, property and religion would be both respected and protected.

9. It was, however, only two days afterwards on 20th January that about 5.30 p.m. a loud bomb explosion occurred in the grounds of Birla House only a few yards away from the spot where the Mahatma was addressing his daily prayer meeting. A young Hindu refugee from the West Punjab was arrested in the act of firing the bomb fuse and was also found to have a live grenade on him. Gandhi escaped unhurt. The police were of the opinion that this was not purely an individual crime but that other persons were connected with it and that it might have been even part of a conspiracy emanating from Bombay. In spite of this Gandhi continued to hold his evening prayer meetings—he did not permit the local police to introduce any additional security arrangements for his safety—and he pleaded even more strongly than before for peace and good-will. He also requested each Hindu and Sikh to prove their *bona fides* by bringing one Muslim friend with them to his meetings. Meanwhile, the local Peace Committee set up in Delhi to implement the assurances given on the conclusion of the fast made some progress in their struggle against the hard core of communal bitterness. For example, over fifty of the 150 mosques which had been converted into temples or used for human dwellings were vacated by their non-Muslim occupants. Significantly, however, the Delhi Hindu Mahasabha declared that they were no party to the assurances given to Gandhi and vehemently criticised his policy.

10. Then on the evening of 30th January, one day after a non-Muslim member of Pandit Nehru's audience at an Amritsar meeting had been arrested for carrying two hand grenades, Mahatma Gandhi met his tragic death. After an hour's talk with Sardar Patel in Birla House he went out into the garden to address his prayer meeting. He had just reached the spot where he always addressed these gatherings

when a youngish Deccani Brahmin, Nathu Ram Vinayak Godse, formerly Secretary of the Bombay Provincial branch of the Hindu Mahasabha came out of the crowd, approached Gandhi and fired three or four shots at point-blank range. One struck him in the chest and two in the stomach. He fell down on the spot almost unconscious was carried back into Birla House and died shortly afterwards at 17.45 hours Indian Summer Time. The assassin was manhandled by the crowd and was immediately arrested. Shortly afterwards he declared "for the present I only want to say that I am not at all sorry for what I have done. The rest I will explain in Court." I was able to obtain an authoritative account of what had happened from the two members of my staff who were present at the meeting and also from the two Inspectors of Police on duty at Birla House who came over to this office and asked for permission to make their reports to police headquarters on our telephones instead of those in Birla House itself.

11. The news of this disaster rapidly spread throughout Delhi and within a very short while all the members of the Cabinet, the Mahatma's closest friends and leading officials including the Governor General and Lady Mountbatten arrived at Birla House to pay their last respects and condolences. About an hour after his death Mr. Shattock and myself went over to Birla House where we found every window and door closed. On hearing that I had come the servants let us in and we proceeded as far as the room where Gandhi lay. I left a message with one of his Secretaries who was standing outside the door and then came away.

12. Meanwhile huge crowds were rapidly assembling in Albuquerque Road anxious also to pay their last homage to their leader. After a short while, as I was standing in the garden in front of the office, Pandit Nehru came out and addressed the crowd for a few minutes. He spoke with considerable emotion and three times during his brief speech broke down completely. A few minutes afterwards General Bucher, Commander-in-Chief, India, did me the courtesy of telephoning to say that he had just been in personal contact with his Commanders all over India, and had issued instructions that they and the forces under their command should everywhere stand by to meet any emergency. As the night wore on more and more people arrived in Birla House. The remains of

the Mahatma draped except for his head and chest, in white Khadi, were then laid outside the room where he died so that all could file past him and pay their respects. This continued throughout the night without interruption.

13. Late in the evening of 30th January it was announced that there would be State mourning for thirteen days and that Gandhi's remains would be cremated on the banks of the River Jumna on the afternoon of 31st January. It was also stated that the funeral procession would leave Birla House at 11.30 a.m. next day, take the route of Queensway, Kingsway through the India Gate past the statue of King George V and then on down to the River.

14. Shortly before midnight I received the message from Mr. Attlee to Pandit Nehru which was contained in Commonwealth Relations Office telegram No. 338. This was immediately communicated to Pandit Nehru with a covering message from myself in the following terms "In transmitting to you the enclosed message from Mr. Attlee, I beg you to accept the profound sympathy of myself and my wife and of all members of the staff of the High Commission at the tragic and grievous loss which you and the people of India have suffered to-day."

15. Large crowds started to collect at an early hour on 31st January in the neighbourhood of Birla House and along the route. In the midst of this from about 9-10 a.m. on the invitation of the Government of India, the Diplomatic Corps paid their respects to the Mahatma's remains at Birla House. Accompanied by Mr. Gault and Mr. Shattock I was met at the doorway by Sir Girja Shankar Bajpai Secretary-General of the Ministry of External Affairs and Commonwealth Relations who showed us to the room where Mahatma Gandhi lay surrounded by his closest relatives and devotees. We stood in silence for a moment before his remains and then left. As we went out we passed Pandit Nehru bringing in a party of Muslims headed by the Nawab of Chhatari to pay their last respects to the Mahatma.

16. An hour later at 11 a.m. Mahatma Gandhi's remains were brought out of Birla House and laid on the roof of an army trailer, acting as a hearse, and draped with the Dominion tricolour. As the cortège moved out into Albuquerque Road, Pandit Nehru and Sardar Baldev Singh were seen standing on the front pedestal of the trailer with Sardar Patel and

Devadas Gandhi (one of Gandhi's sons) sitting at the back; and the vast crowd shouted in unison, "Mahatma Gandhi Ki Jai"—"Long Live Mahatma Gandhi." The funeral procession then formed up in the narrow open space left by the crowds and was headed by four armoured cars. A hundred yards in the rear came four lines of Gurkha troops stretching the width of the roadway and these were followed by prominent Congress leaders and civil and military officers. Immediately behind them came the cortège drawn by men of the three armed services. Behind it were members of Gandhi's family and companions; more troops, and a mounted detachment of the Governor-General's bodyguard flying their red and white pennants. A large contingent of women, all wearing white saris, brought up the rear, and as the procession wended its way through the vast crowds lining the road, it was joined by many thousands of the general public. In fact, the several miles from Birla House to the burning ghat presented one solid mass of humanity.

17. The climax was reached when the cortège arrived at the burning ghat at 4.30 p.m. The Chinese Ambassador represented the Diplomatic Corps there and from what I have been told the scenes were quite amazing. Estimates of the number of people present vary between 700,000 and a million. It was intended that all but a small proportion of these should view the last rites which took place in the middle of a large open field from afar. For this purpose a large square of about 500 yards by 200 yards had been cordoned off by soldiers, airmen and members of the various volunteer corps. It was also intended that only selected persons should be allowed inside this square and gather sitting round the pyre. This number included the Governor-General, his family and staff, and Cabinet Ministers and Governors of Provinces, who had driven down by a circuitous route with the Governor-General, as well as representatives of various organisations. At an early stage, however, various members of the general public managed to infiltrate through and join the select. When the cortège eventually arrived it was passed through into the square with little difficulty and the precautions which had been designed to keep out the thousands who had moved all along the route all round the cortège were at first successful. Gandhi's remains were brought up and then placed on the pyre.

18. Pandit Nehru, Sardar Patel and Sardar Baldev Singh, who had ridden on the army trailer acting as a hearse, came to join the Governor-General's group. Pandit Nehru it seems, was the worst affected by his experiences and sat down grey-faced, hardly recognising those around him. Sardar Patel, very tired, slumped down with an attempted smile. Sardar Baldev Singh, tired though he too must have been, seemed to have grown in stature for the occasion and set about trying to maintain order with a will. Immediately around the pyre there were scenes of great grief amongst members of Gandhi's family and his disciples.

19. Then at 4.55 p.m. his youngest son set the pyre alight. This was the signal for the outer thousands. Simultaneously from all directions they broke through the cordons and pressed inwards, and there started an almost exact repetition of the

scenes at the flag-hoisting ceremony on 15th August. As the mass of people pressed in more closely from all directions the danger of those nearest the pyre being themselves pushed into the flames became apparent. Pandit Nehru, who had been gazing into space, leapt to life. Pushing his way through wherever the danger was greatest, he exhorted the masses to sit, using physical force when words were of no avail, and organised new cordons to keep the crowds away.

20. Then as the flames from the pyre rose higher in the sky against the evening sun, the whole crowd shouted with one voice: "Mahatma Amar ho gae"—"The Mahatma has become Immortal."

21. I am sending a copy of this despatch to the High Commissioner for the United Kingdom in Pakistan.

I have, &c.

A. C. B. SYMON

C.R.O. Ref. EXT 5653
F.O. Ref. F 4433/94/85

No. 3

FRENCH ESTABLISHMENTS IN INDIA

Mr. Symon to Mr. Noel-Baker. (Received in Commonwealth Relations Office, 19th March)

(No. 43)
Sir,

*New Delhi,
Undated*

I have the the honour to say that, as I had not had an opportunity prior to his absence last month in France of calling officially on the French Ambassador, I recently visited him, accompanied by Mr. Fry of this Mission. Sir Terence Shone, as he reported in his despatch No. 5 of 6th January, had already met the Ambassador.

2. M. Levi received me with warm cordiality, and stressed more than once in the course of our talk his anxiety that there should be the closest and most friendly relations between his Mission and this; he was, he said, a firm friend of both Britain and India, and while he represented France in Delhi there could never be a question of any of the three parties playing the other two off against each other. Friendship with Britain, the Ambassador declared, was the corner-stone of French policy.

3. Of his own accord, the Ambassador soon brought up the question of his negotiations with the Government of India in regard to the future of the French Establishments. He was so good as to show us,

emphasising that he did so in confidence, copies of the following documents:—

- (a) A telegram and subsequent explanatory letter, both in French, from the President of the Chandernagore Administrative Commission.

These communications, copies of which had been addressed simultaneously to Pandit Nehru, suggested that a solution to the political problem of the French Establishments might be found in immediate public declarations, by both France and India, acknowledging the right of the people of the French Establishments to choose their own future, such declarations to be implemented by a referendum five years later to ascertain the wishes of the people; meanwhile, there might, it was suggested, be a standstill agreement leaving matters much as they were now, save in two respects; it was stipulated first that the people of the French Establishments should have the right to appeal to India in the

event of interference by France in their internal autonomy, and second that the city of Chandernagore should be intergrated into the rationing and supply system of Bengal. The letter ended with the words "Jai Hind."

- (b) A draft announcement, also, of course, in French, prepared for promulgation in the *Chambre de Députés*, on the lines of the Chandernagore proposals.

This draft contemplated simultaneous plebiscites in 1953 in the five Establishments, each of which, irrespective of the wishes of the others, should be at liberty to choose its own future status; as regards the manner in which the referendum might be carried out, the draft provided merely that this should be decided six months before the end of the five-year standstill period which would follow the Chamber declaration.

- (c) An aide-mémoire which the Ambassador had presented on 2nd March to Sir Girja Shankar Bajpai, Secretary-General in the External Affairs and Commonwealth Relations Ministry of the Government of India.

This document set out briefly the proposals in the draft announcement summarised above, and was handed to the Secretary-General on the eve of his departure for New York to join the Indian delegation appearing before the Security Council in the Indo-Pakistan dispute about Kashmir.

4. The Ambassador then informed me that he had been compelled to protest to the Ministry about the answers Pandit Nehru had given in the Constituent Assembly (Legislative) on 3rd March, in reply to questions about the French Establishments. I attach a copy of a Press report of the proceedings in issue, and confess that the Pandit's answers seem to me innocuous enough; indeed, having regard to the Indian Prime Minister's many preoccupations, they reflect fairly accurately the position as the Government of India see it. It is more than possible, moreover, that, between receiving the French aide-mémoire on the 2nd and Pandit Nehru's answers on 3rd March, Sir Girja had had no opportunity of discussion with his Minister; in any event, Pandit Nehru could hardly have disclosed at this stage M. Levi's new

approach. I did not, however, pursue this matter with his Excellency.

5. The Ambassador continued that, in his view, what the Chandernagore people really wanted was an independent status, guaranteed by both France and India. The leading citizens of that "suburb," as he termed it, were of some consequence and would continue to be so in an independent city; merged in India they would be nobodies. He admitted that five years might be too long to expect the Government of India to wait, but the French Government had to take into consideration the feelings of parties such as the de Gaullists.

6. I would here interpose that Mr. Fry has since been told informally (and spontaneously) by a senior official of the External Affairs Ministry that the Government of India are unlikely, as at present advised, to alter the opinion that has already been reported by this Mission, namely, that an interval of one year between declaration and referendum would be ample. The official added that the Chandernagore proposals quoted by M. Levi to the Ministry represented only one party's view; there were others, for example, that of the French India People's Convention (*cf.*, Pandit Nehru's answers in the Assembly).

7. The Ambassador then went on to talk of other matters. The haste which the Government of India were showing in their dealings with the States, and for that matter in regard to the French Establishments, seemed to him unnecessary and perhaps unwise. His explanation of it was that there appeared to be centripetal and centrifugal forces in India, and that the Indian Government might think it necessary to act quickly if disintegration were to be avoided. He agreed with me that India apparently harboured the belief that she could remain neutral in a future war, and went on to say that this belief was the more difficult to understand when one remembered that a large body of opinion in the world held that the most likely centre of future hostilities was the east. He did not think, however, that war was likely within the next six years or seven years, since the Soviet was not ready for it: and he added that it was perhaps a pity that the opponents of communism, who appeared to him to be in the position which France and Britain had occupied in 1936, could not take the bull by the horns and act now. Russia, he did not doubt, was busily engaged in strengthening her occupied area of Germany in preparation for a struggle;

and the United States of America would have to decide whether or not to do the same in Japan.

8. After questioning me about the potentialities of the Communist Movement in India, M. Levi told me that he had recently asked Sardar Patel, the Deputy Prime Minister, why Madras seemed to be such a Communist stronghold; the reply was that many students from Madras went to European countries, notably England, to complete their education, and brought back with them the Communist ideas they there imbibed. . . .

9. Copies of this despatch are being sent to His Majesty's Ambassador in Rangoon, the High Commissioner for the United Kingdom in Karachi and the Deputy High Commissioners for the United Kingdom in Calcutta and Madras. Copies are also enclosed for His Majesty's Ambassador in Paris and the Foreign Office.

I have, &c.

A. C. B. SYMON.

Enclosure in No. 3

Pandit Nehru said in reply to Mr. Sidhwa that the Government of India had received a report to the effect that the French India people's convention had met on 25th January and passed a resolution for "the immediate unconditional withdrawal of French sovereignty from the five settlements," and expressed its determination to merge with the Indian Union.

The Government of India was in communication with the French Government over the future of the French establishments in India.

Replying to Mr. Kamath, Pandit Nehru said: "It is, I think, common ground between the Government of India and the French Government that the future of the French possessions should be decided by the people of those possessions. As to the question how it should be decided, obviously some arrangements should be made whereby they have an opportunity of giving expression to their opinion. We have not discussed the matter."

The French Ambassador had recently come back from Paris. He had not had the occasion to meet him yet, said Pandit Nehru in reply to Mr. Sidhwa.

C.R.O. Ref. POL 7182/48

F.O. Ref. F 5098/76/85

No. 4

ALL INDIA CONGRESS COMMITTEE

Mr. Symon to Mr. Noel-Baker. (Received in Commonwealth Relations Office 19th March)

(No. 44)
Sir,

*New Delhi,
4th March, 1948.*

I have the honour to refer to Sir Terence Shone's despatch No. 130, dated 22nd November, 1947, and to submit the following report on the recent meeting of the All India Congress Committee held at New Delhi on 21st and 22nd February. In connexion with this, I transmit herewith press cuttings from the *Hindustan Times* of 22nd and 23rd February (Appendices I and II)(¹) containing a full report on the proceedings at the two-day meeting, together with the text of the resolution (Appendix III)(¹) on the fundamental principles for the new constitution of the Congress drawn up by the Congress Working Committee, for consideration by the All India Congress Committee.

2. Altogether five resolutions were passed at the present session, three of which are of minor importance since they either concern themselves with condolences on the assassination of Mahatma Gandhi or with the proposed Gandhi National Memorial Fund. The fourth resolution reiterating the All India Congress Committee's faith in a secular and democratic state (included in Appendix I) was at first considered to be comparatively innocuous and was associated in Indian minds with the other three resolutions arising out of Gandhi's death. The discussion which arose on the resolution was, therefore, all the more unexpected, although the criticism voiced by the movers of amendments represented a fairly common aspect of Indian opinion in the period immediately after assassination of the

(¹) Not printed.

Mahatma. For example, the first amendment moved by Mr. Ranbir Singh Mehta expresses the line widely adopted in the left wing press of asking the Central Government itself and the major political leaders to examine their own rôle in the fight against communalism. In this respect I refer to paragraph 7 of my Opdom No. 13. The suggestion to exclude the East Punjab Government from the paragraph of the resolution congratulating the Central and Provincial Governments on the speedy steps taken to ban communal organisations, together with the amendments moved by Mr. M. M. Sawhney and Devraj Sethi which both point at the Akali party as a communal organisation, are significant as showing the dissatisfaction felt at the lack of action taken by Government against the Sikhs. Among the daily diatribes which have appeared in the press over the last three weeks against the R.S.S.S., the Hindu Mahasabha and other communal organisations, there has been little or no mention of the Sikhs. It is therefore interesting that two days after implied criticism of Government for its weakness *vis-à-vis* the Sikhs which appears in the All India Congress Committee proceedings, the Congress newspaper, *The Hindustan Times*, should have published a leader headed "The choice before the Sikhs." While acknowledging the concentration of the Sikhs in the East Punjab and their sufferings in the cause of the country's freedom, the leader called upon the Sikhs to appreciate the larger problems facing the country. With independence gained the fight between nationalism and communalism remains and the country is determined that it is not nationalism that will go under. If the Sikhs, therefore, in political matters give up narrow communalist claims and identify themselves with the rest of their countrymen, larger opportunities will open out before the community than if they choose to tread the narrow communalist path. The leader ends: "The choice before the Sikhs is a plain one. Are they prepared to join hands with the Congress and the vast majority of the people in this country in building up a secular, democratic state in which all can have an honourable place, or are they anxious to follow the tactics of the Muslim League and attempt to set up an *Imperium in Imperio*? We have no doubt as to what the answer of the more responsible section among the Sikhs will be."

3. The Socialist attitude towards the communal problem and the apportionment

of the guilt for the assassination of Mahatma Gandhi, are, of course, reiterated in Mr. Jai Prakash Narain's speech on this resolution. But his point that communal bodies had already been condemned at the last All India Congress Committee meeting (*vide* resolution 6 enclosed with my despatch under reference) is a new one and has some strength in its accusation against the Government for having failed to take steps in pursuance of that resolution. The amendment seeking to exclude the Bihar Government from the congratulations was presumably moved by a Socialist member as a protest against the right-wing tendencies of the present Ministry in that Province.

4. Sardar Patel's reply to all these amendments is reported as having carried the greatest weight before the Committee and the first day's proceedings were summarised in the Congress press under the headlines, "Heavy defeat for Socialist party at All India Congress Committee session—all amendments lost."

5. Socialist relations with the Congress party had already been discussed by the National Executive of the party in Delhi on 20th February but no final conclusions were reached. This was despite the resolution passed by the National Executive party at its Bombay meeting in January that the question was to be decided by the annual Party Convention to meet on 21st and 22nd February, as reported in paragraph 5 of my Opdom No. 4. This again had been followed by Mr. Jai Prakash Narain's press statement in the third week of January reported in paragraph 10 of my Opdom No. 6, which indicated that he himself favoured a break away from the Congress. The changed plans of the Socialists would appear to have been caused in part by Mahatma Gandhi's death.

6. That the Congress, however, should have taken the initiative on itself in the Resolution on its future Constitution to give the Socialists a clear notice to be wholly and solely Congressmen or to quit would seem to indicate that the Party views with equanimity the loss of its Socialist wing. I have reason to believe that the line taken at the All India Congress Committee session has made it virtually certain that the Socialists will make up their minds once and for all to form a separate political party either at a party convention now due to be held in the middle of March or when the future Constitution of the Congress is finally accepted by the All India Congress Committee.

7. The whole of the Resolution on the future Constitution of the Congress has been hailed by the majority of the Congress press as the acceptance *in toto* of Mahatma Gandhi's last testament on the Congress organisation, written on the day he died, which is contained in Appendix IV^(*) to this despatch. If this is the case, it would seem that the powers of interpretation enjoyed by Indian politicians have been stretched to their utmost. The "testament" had already been referred to on 11th February by Mr. S. K. Patil, President of the Bombay Provincial Congress Committee, who was also a member of the Constitution Sub-Committee appointed at the last All India Congress Committee Session. I transmit herewith as Appendix V^(*) the report of a Press Conference in which he gave his interpretation. Although the present line taken in the Congress press has been to lay stress on the fact that Mahatma Gandhi's testament was only a hurried rough draft it is interesting to see how both Mr. Patil and the All India Congress Committee in its resolution are anxious to point out how closely their interpretations of Mahatma Gandhi's last wishes are to the original.

8. Neither Mahatma Gandhi himself, nor Mr. Patil, nor the All India Congress Committee in its resolution on the future constitution is fully explicit as to the kind of organisation that should emerge, but from the press reports appended to this despatch it is clear that the three concepts are widely different. For Mahatma Gandhi the Congress Party, having achieved the independence of India, was no more necessary as a propaganda vehicle and parliamentary machine. The whole organisation was to be deflected to the task of social, moral and economic uplift for the thousands of Indian villages. He thought that the party should become a Lok Sawak Sangh or "Society for the Service of the People," and should keep out of competition with political parties and communal bodies. The Panchayat organisation of the new movement as vaguely sketched in Mahatma Gandhi's plan would make the very basis of the party a number of tiny cells upon which the whole organisation would be built from the bottom. His "testament" lays stress on the task of service to the people which must be undertaken by all Congress workers, and there are no political implications in this

except for the points dealing with the attention to electoral rolls and the encouragement of the masses to attain the qualifications of franchise. Finally his idea of the collection of party finances on a purely haphazard and voluntary basis indicates his whole purpose of a body dedicated to social work and existing on unspecified subscriptions.

9. Mr. Patil is, of course, more interested with his own Province and the city of Bombay but his interpretation of the Mahatma's wishes is nevertheless startling. His body of servants of the people would appear to be a militant organisation laying stress on military training "at the beck and call of the State." He deplores the apathy of the citizens of India before the call of the State to service. His whole conception of the party appears to be on the lines of a body primarily directed to the service of the State as opposed to the people, and more in line with the organisations behind the Fascist dictators of Europe in the last twenty years. In view of his outlook it is difficult to see in his proposed "Labour Front" anything but the equivalent body in the Germany of Hitler. His pious platitudes on the objective of property for all and nationalisation command equally little belief, followed as they are by his insistence on increased production and his condemnation of the Socialists as prospective victims for the Communists.

10. The All India Congress Committee resolution accepts Mahatma Gandhi's qualifications for Congress members word for word, except for the clause on political party membership and the Re. 1 fee for members of primary panchayats. The basis of the panchayat, however, is one member per 500 of the inhabitants of an area. This would make the panchayats themselves elected bodies and the basis of the whole movement would not be in the masses as foreseen by Mahatma Gandhi. In fact, the Mahatma's idea of every five inhabitants forming a panchayat does not seem to make as much sense as the All India Congress Committee proposals, since followed to its logical conclusion the first and second grade leaders in a country of India's size would be so numerous that the whole organisation would be incredibly unwieldy at the top. Where the Congress resolution departs most widely from the Mahatma's wishes seems to be in its fundamental concept of the sphere of activity of

(*) Not printed.

the organisation. No details of the work in the villages is given although "effective members" must devote a portion of their time to national activity as laid down by the Congress. This leaves very wide scope for the directing powers of the organisation to lay down whatever policy would seem most expedient, whether it be blind service of the State on Mr. Patil's lines or wholehearted service to the masses, which is clearly what Mahatma Gandhi envisaged.

11. The *Hindustan Times*, in a leader of the 21st February on the new Congress constitution, ends with the following apologia to justify the fundamental differences in concept between what has now come into being and what was proposed by Gandhi:—

"With the reorganisation of the Congress on these lines, the question whether the Congress should continue to function or not, now that its main objective of complete independence has been achieved, becomes futile. Those who ask for the dissolution of the Congress forget that, though freedom has been achieved, it has yet to be consolidated. Our newly won independence has not been placed on such an unassailable pedestal that no one can possibly challenge the existence of the new State. So many perils still beset our path, so many disruptive forces, both internal and external, are still at work, that it will be some time before we can say confidently that the new State has been set on firm foundations. Apart, however, from theoretical considerations, the bare truth is that if the Congress quits the scene there is no body to-day to take its place and run the Government. Thinking persons within the Congress are not unaware of the dangers involved in the existence of a one-party State and the importance of having an enlightened opposition for the working of a democratic constitution. But parties cannot be had for the mere asking. Their establishment must come as the

result of the need felt for such parties in the working of the new constitution. The formation of a Parliamentary opposition can come only in course of time and as the result of working of natural political forces. No one can force the pace."

12. The *Statesman* on the other hand has some qualms in the matter—qualms which have been excited as much as anything by Mr. Patil's previous outline of his concept of the Congress. In a leader of 23rd February it points out that Mahatma Gandhi was not concerned with the Congress as a political organisation nor did he care or worry about how the new lay brotherhood would integrate itself with or have effect on the day-to-day administration of the State. This was the problem that worried Acharya Kripalani, who resigned from his presidentship of the Congress Party as a protest against the impotence of the Party *vis-à-vis* the Government of the country—but as the *Statesman* points out "for the Mahatma it did not exist, for he would have welcomed the dissolution of the Congress parliamentary Machine." The *Statesman* ends by pointing out that Mr. Patil's proposals to enrol Congress volunteers—especially those who desire military training—and to create a "voluntary labour front" are capable of an interpretation entirely innocent but also of another which may be less so. Concerned primarily with the defence of the nation, he (Mr. Patil) regards with equanimity the possibility that the party should be semi-military; so did Mahatma Gandhi, with, however, the qualification that it should subscribe to non-violent principles—a very different interpretation of terminology. The working Committee's draft, however, is silent on these points which require to be approached with extreme caution.

I have, &c.

A. C. B. SYMON

C.R.O. ref. : EXT 5671/48
F.O. ref. : F 4929/76/85

No. 5

FUTURE STATUS OF INDIA

Mr. Symon to Mr. Gordon-Walker. (Received in Commonwealth Relations Office 23rd March)

(No. 45)
Sir,

New Delhi,
16th March, 1948

I have the honour to refer to my Savingram No. 50 of 10th March, with which were

forwarded copies of *The Statesman's* report of the proceedings in the Indian Legislature on 8th March and to offer the following comments on the debate.

2. The speech of Professor Ranga, who initiated the debate, may be summed up as posing the question: should India join one or other of the two Great Power *blocs*, or should she continue to follow an independent line in international affairs? Subsequent speakers expressed a diversity of views. Seth Govind Das assumed that India was "bound to go out of the Commonwealth," but went no further towards answering Professor Ranga's question; Mr. Hussein Imam was content that India had followed an independent path, but wished her to assume "leadership of all the exploited nations of the East;" Mr. Kamath desired "a more realistic foreign policy" and suggested that India should endeavour to form a *bloc* with Russia and China; Pandit Kunzru believed that, "despite her bitter experience in the Security Council on the Kashmir issue," India should side with those who recognised her fundamental interests, "including defence," by which he was understood to mean the Anglo-American *bloc*; and Messrs. Santanam (an editor of the *Hindustan Times*, the Congress Party organ) and Nasiruddin Ahmed both spoke in favour of India's joining the democratic group. Mr. Shiva Rao (a prominent journalist and a member of the Indian delegation to the last General Assembly of the United Nations, who—together with his Austrian wife—was at one time considered to be strongly anti-British, in contrast to his distinguished brother, Sir B. N. Rao, the Constitutional Adviser to the Government of India) criticised the manner in which the proceedings in the United Nations resolved themselves into voting *en bloc*, complained that the publicity arrangements in the United States for Pakistan had been made in co-operation with the British Information Services, and declared that "the imperial Powers of Western Europe" were not likely to favour India in comparison with Pakistan because in all matters which came before the Trusteeship Council India had taken the part of the oppressed.

3. Pandit Nehru's speech in reply to the debate (a copy⁽¹⁾ of which I attach) was hardly a model of construction; nor was it particularly lucid. The main points of general interest that he made were that there had not yet been talks with His Majesty's Government in the United Kingdom in regard to India's future relationship with the British Commonwealth, a matter which would be decided by the Con-

stituent Assembly; that India would be a "completely independent and sovereign Republic or Commonwealth or State, call it whatever you like"—the first instance, incidentally, in which the term "Commonwealth" has been included in any Indian list of the possible titles by which India might be known; that adherence to the Commonwealth would affect the citizenship of Indians in the various British territories but that, in any event, politically and otherwise "India must be a completely independent country;" that India ought to be opposed to anything that was itself opposed to "the real, essential democratic concept," which included "not only political but economic democracy," and that India "would resist any imposition of any other concept or any other practice here;" that he could conceive of India's siding with "an imperialist Power" in a certain set of circumstances because it was the lesser evil, but that nevertheless that was not, as a general policy, a worthy policy nor a worthwhile policy; that although in international conferences one might on occasion give up one's point to gain a compromise, that was "the worst possible approach" to obtain anything from another country; that India was potentially a great nation and a great Power, whose voice therefore counted in world affairs; that it would be time enough for India to lead others when India could lead herself properly, for which reason he was at present more interested in internal than in external affairs; and that he had "more and more come to the conclusion" that the less India interfered in international conflicts the better, unless her own interests were involved; "either we should be strong enough to produce some effect or we should not interfere at all."

4. Running through the Indian Prime Minister's speech was a thread of remarks which, to say the least, showed hardly a friendly attitude towards Britain. Taking up Mr. Shiva Rao's complaint about the British Information Services in the United States, Pandit Nehru declared that one of the main functions of that organisation some years ago was to put out anti-Indian propaganda; and he alleged that some of the Indians who had been assisting to that end were still employed in the organisation. He said moreover that a certain section of the press, "say in the United Kingdom," deliberately and offensively misrepresented India, and instanced a telegram from a

(¹) Not printed.

foreign correspondent in India to his paper in London which had been brought to his notice during the debate; this telegram was "the most offensively false thing" that he had seen. Pandit Nehru complained also that the Government of India did not receive much help from the British Colonial Office, and raised a meretricious laugh by adding that "The delays of the British Colonial Office are indeed a revelation." In certain other passages also Pandit Nehru conveyed the impression that India was being penalised because of her past "anti-imperialist record" in India and her present attitude towards imperialist policies elsewhere. It is moreover worth recording that, two days before the speech was made, I had agreed (as was reported in my telegram No. 564) that the Prime Minister should mention that His Majesty's Government in the United Kingdom had accepted India's wish to appoint Commissioners in certain Colonial territories; no mention however was in fact made of this point, which evidently would have largely eliminated the Pandit's complaint of the unhelpful attitude of the Colonial Office.

5. The features of the speech, set out in paragraph 3 above, which had to do with India's foreign policy in general follow familiar lines. The Indian Prime Minister, from the moment he assumed office, has consistently held to the view that India should pursue an independent course, joining neither *bloc*. His speech, however, seems to indicate that he is learning from experience in two directions: first, that it is not possible to steer an altogether clear course between Scylla and Charybdis; and second, that idealism must give way to realism when India's own interests are at stake. It is, I believe, reasonable to expect that Pandit Nehru, as time goes on, will see even more clearly that an uncompromising attitude is not the best approach to international affairs, and that the difficulties of others require to be taken into account. The Indian Prime Minister appears to me to be less sure of himself and of achieving his former ideals than he was on assuming office, an uncertainty which, in all the circumstances, is no bad thing. I have no doubt whatever of his sincerity of purpose; he does indeed wish to avoid alignment with either *bloc*. But I should say that it is becoming more and more evident to him that alignment cannot, in the final resort, be escaped. That impression may be incorrect; but it is an impression which the course of Pandit Nehru's speeches and acti-

vities in the last six months may reasonably be held to convey. It is moreover an impression which has in fact been conveyed to more than one officer of the External Affairs Ministry itself—or so they have informed a member of my staff.

6. As regards those parts of Pandit Nehru's speech which were unfriendly in tone, I would not suggest that over much importance be placed on them. The Indian Prime Minister still suffers from his past history, and is inclined still to harp on the strings which the Congress Party plucked before the transfer of power in India. He is notably emotional, and quick to say the first thing that comes into his mind. Thus, it was particularly unfortunate that the "offensive" telegram referred to in paragraph 4 above should have been handed to him just before he spoke, for it undoubtedly coloured his speech. At the same time, it appeared to me difficult to overlook the unfriendliness of the tone in which he had spoken; and in regard to the charges against the British Information Services in the United States a *démenti*, printed in *The Statesman* side by side with the opening paragraphs of the report on the debate, had indeed already been issued. I had therefore contemplated seeking an interview with Pandit Nehru, with the intention not so much of protesting as of trying to establish what was in his mind in speaking as he had, and of attempting to remove any possible misunderstanding. I was, however, forestalled by his Principal Private Secretary, Mr. Iengar (now acting as Foreign Secretary), who telephoned to say that he had been instructed by the Prime Minister to discuss with me, in a friendly way, the "offensive" telegram from a British press correspondent which is referred to above. A report on my interview with Mr. Iengar on this point is contained in my telegram No. 618 (to Sir Paul Patrick). When I drew Mr. Iengar's attention to the *démenti* issued by the British Information Services in New York he immediately said that the Prime Minister intended to take an early opportunity to express his regret for this mis-statement. As you will know from my telegram No. 643 (to Sir Gilbert Laithwaite), Mr. Nehru intervened during the debate on External Publicity on 15th March to express his regret and I asked Mr. Iengar today to convey my appreciation to the Prime Minister.

I have, &c.

A. C. B. SYMON.

INDO-AFGHAN RELATIONS

Sir G. Squire to Mr. Bevin. (Received 12th April)

(No. 46. Confidential) *Kabul,*
 Sir, *3rd April, 1948.*

I have now received information that the Indian Ambassador and his staff will be arriving in Kabul in two specially chartered Dakota aeroplanes early in the second week of April, provided that weather conditions are suitable and that arrangements can be made for the flight. The Afghan Government, however, are by no means happy about the prospects of establishing friendly relations with India, on account of the attitude adopted by the Government of India towards Afghan refugees and Afghan subjects generally.

2. The Afghan refugee problem is a serious one and was bound to arise sooner or later. Even before August 1947 it was becoming increasingly difficult to detain the large number of Afghan notables, descendants of previous Amirs, &c., whose presence in Afghanistan was considered undesirable, either in custody or under restrictions as to their movements and, of course, at the Government of India's expense under an old regulation (Regulation III of 1818); and the Government of India had on more than one occasion notified the Afghan Government that they could not continue indefinitely to pay allowances to these detainees and that they would have to withdraw or at least considerably modify the restrictions in the near future. The new Government of India has, however, cut the knot by withdrawing all restrictions and releasing all detainees without exception. Fortunately for Afghanistan this move need have no immediately unfavourable results, as Pakistan has not, so far, taken similar action, and it is possible that they may be more co-operative in considering Afghan wishes, though I have already heard complaints that in Pakistan too, such people are being allowed to move about too freely.

3. Not content with this, the Government of India have shown scant consideration for Afghan susceptibilities in their policy towards Afghan traders in India. These, admittedly, are mostly Ghilzai pedlars and money lenders, who have for years been a thorn in the side of many provincial Governments, especially in the south. The old Government of India had often been compelled to curtail the activities of these

parasites and some of them had been ordered to leave British India. The Afghan Government invariably protested and threatened reprisals against Indian traders in Afghanistan, but the question had not, prior to 1947, assumed serious proportions. Since 1st January, however, approximately 125 of these men (to my knowledge) have been ordered to leave India by 31st March, mostly from Madras and His Majesty's Legation have been requested to see that they are not again given visas for India.

4. Simultaneously the Government of India have withdrawn the concession previously in existence whereby Afghan tribesmen, who have for generations enjoyed the right to pasture their flocks in the winter in the North West Frontier Province and as far east as the East Punjab, were exempted from the provisions of the passport rules and allowed to wander freely about India. The Government of India have required all Afghan nationals to be in possession of valid passports and have allowed them a period of two months in which to provide themselves with these documents. I enclose a translation of an article from the *Islah* of 1st April on the subject.

5. The measures mentioned in paragraphs 3 and 4 have been reported to the Afghan Government by their Consul-General in Delhi as a general order for the expulsion of all Afghan nationals from India and though this report appears to be exaggerated the Afghan Government have asked me to protest to the Government of India on their behalf and to enquire what the true facts of the case are and why it is considered necessary to expel their nationals. The Under Secretary in the Afghan Ministry for Foreign Affairs in speaking to me about this expressed the view that if this was a sample of the new Government of India's diplomacy the outlook was indeed gloomy. I am thankful that this is no longer a problem with which I shall be called upon to deal, but it will make the new Indian Ambassador's task of establishing friendly relations with Afghanistan very difficult from the outset.

6. Failure on the part of India to establish friendly relations with Afghanistan may have one incidental advantage as far as His Majesty's Legation are

concerned. It is more than likely that, if the Afghan Government receive no satisfaction in the matter of the treatment of their nationals in India, they will refuse absolutely to sanction any transfer to India of the ground which was sold to Sir Francis Humphrys, the first British Minister in Kabul, for the present British Legation.

7. I am sending a copy of this despatch to the United Kingdom High Commissioner in New Delhi.

I have, &c.
G. F. SQUIRE.

Enclosure in No. 6

(Translation)

Article in the Islah of 1st April

Comment on the Government of India's decision regarding Afghan nomads.

We have been informed that the Government of India has lately decided

that Afghan nomads, who from time immemorial have journeyed and traded without restriction in the broad lands of India will now be considered as foreigners and will be required to have passports and nationality documents. Although we have no fundamental objection to this decision of the Government of India, the time limit for the procurement of nationality documents and for the completion of passports is too short, and the friendly Government of India should take steps to extend it and meanwhile should not trouble these Afghan nationals. If a reasonable period is given our Government will, of course, make every effort to see that all Afghan nomads should obtain passports and nationality documents in the same way as other Afghan nationals, and should then use them for their journeys to India as other traders do. We are sure that the friendly Government of India will accept this reasonable request so that Afghans in India will not be put to trouble on account of the lack of sufficient time.

C.R.O. ref. : POL 7617/48
F.O. ref. : F 6028/76/85

No. 7

INDIAN SOCIALIST PARTY: SIXTH ANNUAL CONFERENCE

Mr. Symon to Mr. Gordon-Walker. (Received in Commonwealth Relations Office, 14th April)

(No. 57. Secret)

New Delhi,

7th April, 1948.

Sir,
I have the honour to refer to Mr. Noel-Baker's despatch No. 4 of 16th December, 1947, and to report on the Sixth Annual Conference of the Socialist Party held at Nasik from 19th-21st March, at which the Party decided to make a final break with the Indian National Congress.

2. I have endeavoured to summarise recent developments in the Socialist Party in my OPDOMS of this year, and in my Despatch No. 44 dated 4th March, 1948, I reported the effect upon the Socialist Wing of the Congress of the new draft Constitution for the Congress Party, which was discussed at the All-India Congress Committee meeting held in Delhi at the end of February. In brief, signs have not been lacking since the end of last year that sooner or later the Socialists would decide to break company with the Congress. At the end of December 1947 they organised a most successful one-day general strike in Bombay, which was in flat defiance of the terms of the Industrial Truce concluded only a few

days previously between the Government, employers and employees. Again in January 1948, they decided to put forward candidates in opposition to Congress nominees at the recent Bombay Municipal elections, and as a result of which 17 of them were expelled from the Provincial Congress Party. Again, immediately after the assassination of Mahatma Gandhi they took an even more definite line against the Government, which they attacked as being communally minded and responsible to a large extent for the existence of conditions under which such an assassination was possible. In the period of national mourning which followed, it appeared that they had indeed over-played their hand and were receiving little sympathy for their attitude against the Government. Whether on these grounds it was felt that the moment was inauspicious, or whether the death of Gandhi had, for the time being, at any rate, persuaded the Socialists that solidarity was vital for the survival of national life, they refrained from holding their previously advertised Convention in

February to decide finally on their relations with the Congress.

3. Instead, it was left to the Congress Party to bring matters to a head. At their All-India Committee meeting held at the end of February they provisionally approved a draft of the Party's new Constitution under which no member of the Congress would be permitted to belong to any other political party. This meant that the Socialists would either have to dissolve themselves in the Congress or leave it. Subsequent speeches by Socialist leaders, as well as Resolutions passed by Provincial Socialist bodies made it clear that at the Sixth Annual Conference to be held in the middle of March, they would decide to quit the Congress once and for all.

4. The first day (19th March) of the Conference was almost entirely occupied by the inaugural address of the Chairman, Mr. Purushottam Tirkamdas. This gave a general lead to the Assembly delegates and advised severance from the Congress, but without rancour because, as he pointed out, there were many tasks and ideals which Socialists would still share with that organisation. He devoted a large portion of his speech to criticism of India's draft Constitution on the grounds that it was unlikely to secure for the country the position of a sovereign democratic republic and went on to express strong objection to the special provisions relating to minorities. Government policy with regard to the States received both blame and praise and Hyderabad was singled out as a case where the States Ministry had merely worsened the situation by their moderation. Pakistan, he thought, must be assumed to be not a good neighbour and to have no peaceful intentions towards India. Therefore India should be prepared to defend herself. There was, however, no reason why India and Pakistan should not live in peace given goodwill, but so far as the Pakistan leaders were concerned this was entirely lacking. The day's proceedings ended with the passing of Resolutions regarding the death of Mahatma Gandhi; supporting the people of Hyderabad in their struggle; and deploring the encroachment on civil liberties by the Central and Provincial Governments.

5. On the next day (20th March) the main Resolution providing for the Party's breakaway from the Congress and its evolution to a responsible opposition was passed without debate in an open session of

the Conference. All Socialists elected on Congress tickets to Local Boards, Municipalities and the Central and Provincial Legislatures were called upon to resign, and all Party members were given the time limit of 15th April by which to forgo their primary membership of the Indian National Congress as well as any elected posts in that party. In general, the resolution stated that, with the achievement of freedom, the rôle of Congress as the joint front of the Indian people had come to an end. Congress leaders themselves desired to convert the great organisation into a compact body. The new constitution of the Congress specifically outlawed, for the first time in its historic career, any organised group or party from functioning inside the Congress. The resolution went on, "Once the decision is taken to become a Party, the national or multi-class character of the Congress disappears, it then inevitably becomes a Party of one class or the other. The Congress efforts of becoming a multi-class party, in fact, result in their refusing to become a working-class party. The constitutional changes as well as the inner logic of development sketched above, therefore, ends a long period of organic association of the Socialists with the Congress."

6. The next Resolution, which dealt with the current political situation, strongly criticised the "Mountbatten Plan" and partition since it had given an impetus to communal and anti-social forces. Another fundamental assumption in the plan which came in for criticism was the distinction between British and Indian India and the equating of sovereignty with the Provinces to the exclusion of the people in the States. The unfolding of this assumption had confronted India with serious difficulties in many States especially in Kashmir, Hyderabad and Junagadh. The Resolution continued by saying that there were two dangerous political currents in India to-day, the *first* and most dangerous represented the communal forces backed by wealth and vested interests which, with their medieval outlook and indifference to human values constituted the most serious menace to the foundations of the new State; the *second* current was typified by the Communist Party, which was a grave source of danger because the Communists pursued their ends with little regard to the stability and integrity of the State. The Resolution ended by concluding that "only

a Socialist State can assure a solid foundation to political stability. There is, therefore, no other way open to the forces of democratic Socialism except to march ahead with the triumphant banner of a Socialist State." In moving the Resolution, Acharya Narendra Deo (the veteran Socialist leader from the United Provinces) contrasted the rôle of the Socialists with that of the Communists. He said "the opportunist politics of the Communists would never suit the temperament of the Socialists." The Congress and the Socialists were the only two parties in the country which would fight the two evil forces at work—the Communists and the communalists—but the Congress was not representative of the aspirations of all classes and was in danger, because of its authoritarian bias, of being overwhelmed by anti-secular and anti-democratic forces of the right. "After the attainment of freedom instead of the Congress running the administration, the administration is running the Congress."

7. The next day (21st March) the Socialist Party began its new career as an independent political organisation by electing Mr. Jai Prakash Narain as its General Secretary. The new National Executive of the Party of which a complete list is attached as Appendix A is to consist of the General Secretary, four Secretaries and twenty members. The Conference then decided to sever all connexions with the Socialists in Pakistan. It then proceeded to pass two significant Resolutions laying down the Socialist policy with regard to the Indian States and international affairs.

8. The first Resolution on the States welcomed the policy of removing the smaller Princes and merging their territories into neighbouring Provinces, but considered that the way in which the medium sized and bigger States were being treated left them with altogether too much power.

9. In the second Resolution on foreign affairs the Convention viewed with alarm "the rapidly worsening relations between the two power blocs and more particularly the absence of an effective combination of democratic Socialism to achieve peace and a world Government. The existing civilisation with its division of efforts, its intermittent wars, its atomic weapons, its veto power and, above all, its inability to move on to new foundations of thought and living is doomed." To the Socialists, India was obviously the country to lead the world from this intolerable position, but they felt

that the present Government was being reduced to a rôle of inactive politics and futile pursuits. The Socialist Party therefore felt it incumbent upon itself to take the lead in the formation of a bloc of Asian countries and Egypt on the basis of a common defensive alliance, strong enough to resist the encroachments of the two main power blocs. In the debate on the resolution, little of fresh interest was said except that Mr. Asoka Mehta cautioned the Socialist Party against any alignment of India with the Soviet bloc. In this connexion I would also mention Jai Prakash Narain's recent letter to the Bombay Socialist paper *Blitz* which with regard to foreign policy pursues a line of praising Soviet "democracy" while viewing with the deepest suspicion Western "imperialism." In this letter, he expressed the hope that its policy would be dictated by a realisation of the fact that in the world to-day it was impossible for Socialism to exist without freedom and as he put it "there can be no Democracy without Socialism and no Socialism without Democracy." From this I think it can be assumed that the Socialist leaders in India realise the menace to Socialism from Communism and although the normal line taken in Left Wing papers with regard to foreign affairs closely resembles that of the Tass Agency I feel that too much significance need not be given to this. The Socialist leaders will need some time to educate the rank and file of the party up to an appreciation of what Socialism really means. At present the literate student class, if deprived of the prospects of violent internal revolution must be given at any rate the more lurid and colourful interpretation of foreign affairs as presented by the Russians, in the hope that in the internal field, at least, they will obey the policies of their more mature leaders.

10. Finally on 22nd March the Trade Union members of the Socialist Party held a separate Conference and decided to set up a new all-India Trade Union organisation to be known as the Indian Labour Congress (Hind Mazdoor Panchayst.) An *ad hoc* Committee was appointed to complete the work of the affiliation of Trade Unions in various industries to the new Indian Labour Congress within three months. What the initial strength of this new rival to the All India Trades Union Congress the Indian Federation of Labour and the Indian National Trades Union Congress will be, I cannot at present forecast, but a

spokesman of the Socialist Party has claimed that some 500,000 workers are represented in the Labour Unions which will function under the Socialist Party's aegis.

11. On the whole, comment on the Socialist decision to quit the Congress has been favourable. The general attitude has been to accept it as the logical outcome of recent political trends and to welcome the possibility of a constitutional opposition growing out of the Socialist Party. The Socialist attitude to the Communists has been greeted with approbation "since the Communists can constitute a threat to our national evolution both because they are ready to resort to doubtful means in the achievement of their aims and because their policy is geared not to the needs of the country but to the vagaries of a foreign State." The *Hindustan Times*, however, has warned the Socialists not to resort to direct action by civil disobedience to gain their own ends. "Such activities were permitted to the Congress in its fight for the country's freedom but now the constitutional means were open to Indians whereby they could remove the Government from power and the days of strikes, hartals and civil disobedience were over."

12. In any event, the Socialists have presented the country with one of the most important political moves since 15th August, 1947. The acknowledged leader of the party, Mr. Jai Prakash Narain, is a man of energy and ideals and from his statements made in the last two weeks he would appear to have attained to a maturity of political outlook, of which his earlier career gave little hope. While advocating a policy based on the materialist conception of life, he has called for the spiritual regeneration of the country. In his report to the Party Conference at Nasik he has explained his call for spiritual regeneration thus—"I have not suddenly come to acquire faith in something called the spirit or the soul or Brahma. Such philosophy as I have is earthly and human. I am concerned merely with the problem of the type of man I should like to live with in society. Clearly I do not like to live in a society of liars and murderers, of men who have no kindness in them, no tolerance, no fellow feeling. If the aim of our party is not only to produce well fed, well clothed and well housed animals, but also to produce good men, then I say that all our political work must be inspired by certain ethical values."

13. Jai Prakash has, however, yet to prove himself as a leader in the political

field; so, too, have his lieutenants nearly all of whom, though endowed with personal ability, are bereft of political experience and have up to now shown tendencies to be little more than a loose conglomeration of individuals actuated by very different kinds of purposes. It can, however, be said that the majority of them appear to be guided by democratic principles similar to those held by Socialists and Social Democrats in Western Europe. Therefore, it is generally—and indeed genuinely—hoped that in the Socialist Party will be found new and constructive forces which may do much to promote the democratic political development of India. That an opposition to the present Government is needed is patent to anyone who has watched political developments in India during the last few months. Given a really well-run Party organisation, united leadership and political stamina sufficient to overcome initial disappointments and setbacks, the chances of the Socialists building up a substantial following seem, on a long-term view, to be bright. If this should materialise they can hardly fail to act as a valuable counterpoise between the forces of the Right on the one hand and the extreme Left on the other. It is of interest to note that a few days after the Party Conference was over Jai Prakash Narain in a speech in Southern India stated that he would like their Organisation to be developed on the lines of the British Labour Party. He wanted Trade Unions and Peasant Unions organised in every part of the country and affiliated to the Socialist Party. When they had succeeded in building a Party of that kind they could, he affirmed, succeed in establishing Socialism in the country.

14. I am sending a copy of this Despatch to the United Kingdom High Commissioners at Karachi, Colombo, Ottawa, Wellington, Canberra and Pretoria.

I have, &c.,

A. C. B. SYMON.

Appendix A to No. 7

New Executive

The Socialist Party Convention elected members of the new executive, with Mr. Jai Prakash Narain as the Party's General Secretary, Dr. K. B. Menon, Mr. N. G. Gore and Mr. Suresh Desai have been elected Joint Secretaries.

Members of the Executive, numbering 20, include Mr. Purushotam Tricumdas, Mr.

Ram Manohar Lohia, Srimati Kamla Devi, Mr. Achyut Patwardhan, Mr. Yusuf Meherally, Acharya Narendra Deo, Mrs. Aruna Asaf Ali and Messrs. Sibnath Banerji, Moinuddin Ahmed, Munshi Ahmed Din, Ashok Mehta, Maganlal Bagdi and Madhu Limaye.

Appendix B to No. 7

*Extract from Hindustan Times dated
23rd March, 1948.*

Socialists' Aim Defined

NASIK, March 22—"Socialists are parting company with the Congress with the sincere intention of doing real service to the people of the country and not exploit their goodwill and support to the party" said Mr. Jai Prakash Narain addressing a large gathering last night at the conclusion of the three-day session of the Convention.

Socialists would work, Mr. Narain added, for the establishment of a Socialist democratic State in which the toiling millions of the soil would get a fair deal. To-day there was a wide economic disparity in the country and millions of the people were underfed, sparsely clothed and were houseless. The Socialist Party would try to remove these problems.

The Socialist leader complained that the Central and Provincial Governments run by Congressmen to-day had not done anything to remove these social and economic evils. They were still influenced by the vested interests Socialists had decided not to put on the garb of Congressmen by remaining

inside that organisation. They took this decision in order to be free from the shackles of interested persons and self-seekers who were tarnishing the hallowed name of the Congress which was built on the sacrifice of thousands of Indians.

Mr. Narain said Mahatma Gandhi had till his last days desired that the Congress on achievement of freedom should become an organisation of the real servants of the people. But he was surprised to find that even responsible Congressmen were still exploiting the name of the Congress and trying to benefit by it. Socialists, who had always stood for the welfare of the common man, could no longer remain in that body if they wanted to serve the people.

He appealed to the people to rally round the banner of the Socialist Party and extend their full support in fulfilling the task ahead, namely, rebuilding a free India on Socialist lines.

New Executive

The Socialist Party Convention to-day elected members of the new executive with Mr. Jai Prakash Narain as the Party's General Secretary, Dr. K. B. Menon, Mr. N. G. Gore and Mr. Suresh Desai have been elected Joint Secretaries. Members of the Executive, numbering 20 include Mr. Purushotam Tricumdas, Mr. Ram Manohar Lohia, Srimati Kamla Devi, Mr. Achyut Patwardhan, Mr. Yusuf Meherally, Acharya Narendra Deo, Mrs. Aruna Asaf Ali and Messrs. Sibnath Banerji, Moinuddin Ahmad Munshi Ahmed Din, Ashok Mehta, Maganlal Bagdi and Madhu Limaye.

A. P. I.

C.R.O. ref.: POL. EXT/16024

F.O. ref.: F 7820/76/85

No. 8

INDIAN FOREIGN POLICY

*Sir T. Shone to Mr. Gordon-Walker. (Received in Commonwealth Relations
Office, 30th April)*

(No. 70)

Sir,

*New Delhi,
21st April, 1948.*

With reference to Mr. Symon's despatch No. 45 of 16th March, 1948, I have the honour to report that the debate on Foreign Affairs in the Indian Legislature on 8th March, which formed the subject of that despatch, has been followed by very extensive comment on India's foreign policy,

both in the Press and in numerous public speeches. A strong stimulus to discussion of foreign affairs in general has, of course, been given by recent developments in the international field, notably the death of Dr. Masaryk, the signature of the Treaty of Western Union, and Mr. Truman's speech calling for American re-armament. Mr. Symon has already had occasion in his

despatch No. 55 of 6th April to draw your attention to the reactions in India to the two latter events.

2. The variety of views expressed as to what, in the face of these developments, India's foreign policy should be, show that Indian ideas on this subject are in a fluid state; and any conclusions drawn in present circumstances can only be very tentative in nature and may cease to have any validity a few weeks or months hence. None the less, having regard to the deterioration of the international situation, it may be useful to hazard some kind of estimate as to where India stands in relation to the present international crisis and to the world conflict which it is widely feared here may ensue from it. [I should here say that I am indebted to Mr. Selby, in the first instance, for the preparation of this despatch, to which other senior members of the staff have also given time and thought. Owing to my absence from India for the past two months I have not felt able to contribute much to the despatch myself, but I see no reason to differ from its content or from the summing-up in the final paragraph.]

3. In a speech of 13th March, at the Annual Dinner of the Mining, Geographical and Metallurgical Institute of India in Calcutta, which was attended by the Governor-General, Mr. C. Rajagopalachari, Governor of West Bengal, paid a warm tribute to the services rendered by Lord Mountbatten to India and to Britain. He realised, he said, that Mr. Churchill might feel that what Hastings and Clive had won, Lord Mountbatten had thrown away. "But," he said, "that is only true in a superficial sense. The deeper reality is that for the all-round suspicion, bitterness and ill-will that prevailed during the war years, Lord Mountbatten has succeeded in substituting unqualified goodwill between India and Britain. "Has not Lord Mountbatten then done greater service to Britain than Hastings and Clive?" he asked. "For this is the greatest service of all," he continued. "In times to come it will not be empires that count, it is goodwill that counts. Therefore, I say that he has done more for Britain than anyone else."

4. This challenging remark focuses attention on a fact of which, in the face of the often bitter hostility towards almost all British policy abroad displayed in large sections of the Indian press, and frequently in the speeches of Indian leaders (see paragraphs 5-7 below), it is easy to lose sight, namely, the personal goodwill, tinged

though it may be with apathy, which the great mass of Indians display towards Britons in general. Just how much this goodwill counts, or will ever count in the political sense, is a matter for pure conjecture. At any rate almost all those British Europeans who have been in India for any length of time, testify to a new spirit of goodwill towards them. Moreover, the Editor of the *Statesman*, in the course of a series of articles giving his impressions of a recent extensive tour both of India and Pakistan, expressed the view that the people who really gained their freedom in August 1947 were the British Europeans resident in India. Even members of the Government who have spent long terms in prison at the hands of the British, are insistent that the past is forgotten and forgiven, although, as far as the former are concerned, it is important to bear in mind that their goodwill is towards the new Socialist Britain, that a profound suspicion of Mr. Churchill still persists, and that goodwill would have to be built up afresh if the Conservative Party, particularly under his leadership, were to return to power in the United Kingdom.

5. As indicated above, this personal goodwill is not very often reflected in the public statements of India's leaders, or in the comments of her press. It is true that since 15th August, 1947, the policy of the Labour Government in England on the home front has been treated with sympathy and there have on occasions been tributes, albeit sometimes grudging, to the political wisdom of Britain in giving freedom to India, Burma and more recently Ceylon. But in the main there has been up to now almost uniform hostility towards British, as also to American, foreign policy. A comparatively mild example of this hostility was the reaction of the Indian press reported in paragraph 5 of Mr. Symon's despatch No. 55 of 6th April, 1948, towards Mr. Truman's speech and the Western Union Treaty.

6. The reasons for this hostility are, as indicated in paragraph 8 of Mr. Symon's despatch No. 55, not easy to assess. Foremost among them is the residual suspicion of almost everything British from the period before 15th August, and a lurking belief that the old policy of divide and rule which is widely held to be responsible for the partition of India, is still operative in Pakistan, its fruits being shown in the special position which the British enjoy in Pakistan, and in the alleged machinations of British agents in that country, to the

detriment of India. Another potent factor of a general nature is the impact on India of Russian thought. Before independence, it was always considered legitimate and often advantageous to seek Russian support against Britain, and there are indications that Russian ideology has permeated into the mentality of Indian newspapermen. (This is one of the main reasons why the establishment of a well-equipped British information service and of a section which could counter the activities of the Tass agency in the Indian-language newspapers—already vigorous before the arrival of a Soviet Embassy—was of such importance.) Although, broadly speaking, the Indian press is owned by the "Right," it is to no small extent staffed by the "Left" and therefore to that extent written by the "Left." Much of the current phraseology used by the press when dealing with foreign affairs,—e.g., "capitalist exploitation in the colonies;" "colonial imperialism;" "dollar imperialism" and so forth—has its roots in Communist political phrasemongering, hence to a large extent the hostility towards United States foreign policy, as well as that of Great Britain. The glamour of Russia is still very potent in India, and there is still a strong feeling that the truth of any political situation of international interest comes to light only when Russian sources (national Communist or International Communist), make their contribution. There is little criticism of the Russians, and such criticism as there is is almost invariably wrapped up in ambiguous phrases. It must, however, be remembered that there has as yet been no direct Russian push into any area in which India is vitally interested. The foregoing are, of course, generalisations; special considerations contribute to India's hostility towards individual countries in special areas; for instance, her apparent hostility towards the United States' support for the Kuomintang arises partly out of jealousy, partly out of an ideological dislike of the "reactionary" nature of the Chungking Government, and partly out of a fear that a strong democratic China, built on United States support, will be all too well placed to expand in the direction of that area of South East Asia which certain Indian commercial interests have doubtless marked out for their own expansion when Dutch and French influence has been removed.

7. The line which, in Indian eyes, Great Britain has adopted in the Kashmir issue brought about an even further deterioration in the attitude both of the Government and

of the Press towards Britain. There are those who, in private conversation, admit that India's action in Junagadh knocked the bottom out of India's case over Kashmir; but there is no doubt that the great majority of Indians expected wholehearted support for what they were led to suppose was the incontrovertible logic of their case, and they decline to believe that the attitude of the British delegation was based on anything better than some base motive of prejudice or power politics. I need not remind you of Mr. Ayyangar's almost childish search for some motive of personal prejudices on the part of members of the United Kingdom delegation in New York as an explanation of their allegedly hostile attitude. In India the great catchword and bugbear ever since the Kashmir issue was taken to U.N.O. has been "power politics." Britain has been accused of wanting to do India down because of her independent line in U.N.O. over various issues, her struggle against imperialism in the past, and her championship of the oppressed peoples of the world in the present. Equally Britain and the United States of America have been accused of wanting to bolster up Pakistan as a bulwark of their hold on the Arab world and the oil of the Middle East, and as a base against Russian expansion to the Persian Gulf and the Indian Ocean.

8. It was inevitable that this universal insistence on the prevalence of "power politics" should produce a school of thought in India which argued that, as power politics was one of the facts of life in the world as it existed to-day, it was quite unrealistic for India to continue to try to pursue, with totally inadequate power behind her, an idealistic policy of her own; and that she, like everyone else, must base her policy on power political considerations. The chief significance of this argument lies perhaps in the fact that it represents the first considerable breach in the solid phalanx of opinion which ever since 15th August had held that neutrality as between the power blocs was the only possible foreign policy for India. Most of those who have given expression to this new line of thinking have reached the conclusion that India must side with the Anglo-Americans who alone are in a position to supply her with her material needs, though they do include a number of persons with genuine anti-Communist convictions. Those, however, who take this line from purely utilitarian considerations might

well be tempted to consider that an alignment with the Soviet Union might be more appropriate to India's requirements should hostilities break out between the Great Powers before India had committed herself to either side, and should the forces of democracy suffer their customary initial reverses.

9. A second and more serious potential threat to the policy of neutrality for India is the growing realisation of the menace of Communism, to which the political crisis in Czechoslovakia drew special attention. The Press here were slow to appreciate what had happened in Prague, and in the early days reproduced such Tass headlines as "Fascist *Coup* Foiled." They then began to note, in a detached way, that events in Czechoslovakia had brought closer the possibility of war in Europe. It was only the death of Dr. Masaryk (which deeply shocked many Indians and the Prime Minister in particular) that served to remove lingering doubts as to the reality of the situation and brought Indians face to face with the prospect not merely of a distant conflict between the Powers in Europe in which India need not interest herself unduly, but of a potential conflict between international communism on the one hand and democracy on the other—a conflict which was possibly latent in India itself. Even Mr. Jai Prakash Narain deemed it necessary to draw attention to the danger of Communism when, in a letter to the Bombay Socialist Party paper *Blitz*, he expressed the hope that its accent would be equal on both Democracy and Socialism. "We see in the world to-day," he said, "attempts being made to sacrifice one in the name of the other. But let us not forget that neither can exist without the other, there cannot be full democracy without socialism, or socialism without full democracy." The warnings of commentators less far to the Left were proportionately more emphatic.

10. It is, however, noteworthy that, except for a few isolated letters to the Press, there has been practically no open advocacy of a consequent Indian alignment in the foreign political field with the democratic Powers. Even Pandit Nehru, who on 31st March had suggested in the Indian Legislative Assembly that the strike of Government servants in Calcutta might be associated with developments in the international field [*cf.* paragraph 4 of OPDOM No. 25], stated categorically on

6th April that the action taken against the Communists in different provinces was in no way connected with world politics or their conflicts, from which India wanted to keep clear (see the enclosed extract⁽¹⁾ from the *Statesman* of 7th April). There has in fact been a spate of speeches indicating a wish that in the conflict between the Powers India should remain neutral. By way of examples I also enclose copies⁽¹⁾ of Press extracts recording the relevant portions of speeches of Mr. Gadgil, Ministry of Works, Mines and Power, on 21st March, Mr. Lohia, the Socialist Leader, on 6th April and Mr. M. N. Roy, the Radical Democratic Leader, on 7th April.

11. Having regard to the views expressed in paragraph 3 of this despatch, and to the possibility of his becoming the Governor-General of India, after Lord Mountbatten leaves in June, the attitude of Mr. Rajagopalachari in regard to this question of neutrality is also of some interest. In conversation with Mr. Campbell-Johnson, Publicity Officer to the Governor-General, he recently expressed the view that war was very imminent, and that whichever side won there would be an end of national sovereignty which at the present stage of civilisation had become an anachronism. The future seemed to him to hold in store a world state which would be dominated either by Russia or the United States of America. Mr. Rajagopalachari expressed no particular sympathy for either of the contending sides. His one hope was that India would escape extensive damage. He has since given public expression to his hope that India will avoid entanglement.

12. It is difficult to believe that this professed indifference to the outcome of a world conflict is not more apparent than real. While views vary as to the form which the domination of the earth by the United States of America would take, there can be few illusions as to the eventual fate in store for India if Communism were to be triumphant in the world at large. This apparent indifference may derive largely from a fundamental belief in the overwhelming power of the United States of America. If it were to become apparent that the balance of power in the world had shifted in favour of the U.S.S.R., some of the "realists" (see paragraph 8 above) would no doubt want to change band-wagons. India's leaders would then be driven to take much more interest than they

(¹) Not printed.

seem to at present in the possible outcome of a world conflict. For the time being faith in the power of the atom bomb overclouds the picture, and it may not be irrelevant to an estimate of India's attitude in the event of hostilities to mention that Pandit Nehru, speaking on the Indian Atomic Energy Control Bill, on 6th April, said that "when India had herself developed atomic power for peaceful purposes, and if she was compelled as a nation to use it for other purposes, no pious sentiments would prevent her from doing so." Whatever they may feel about the use which others may make of atomic energy, the attitude which Indians naturally adopt is one which tends to mask their dislike and even fear of the consequences with brave assurances that their armoury will, in the last resort, not be lacking in similar weapons or in the will to use them.

13. Symptomatic of this desire to escape from impending threats is Mr. Rajagopalachari's yearning for a world government which is indeed a popular heartcry at the moment. In this connexion I enclose a copy⁽¹⁾ of an article by Mr. K. Santhanam which appeared in the Magazine Section of the *Hindustan Times Weekly* on Sunday, 21st March. This article suggests that what is required is an effective world government, based on a United Nations from which the U.S.S.R.'s withdrawal, if she would not accept the principle of world government, should be ignored. This article is of importance for two reasons; first, it is the nearest approach to open advocacy of alignment with the Western Powers for ideological reasons which has so far appeared; secondly, Mr. Santhanam is Assistant Editor of the *Hindustan Times* and is acknowledged to be one of the most cogent thinkers on international affairs in India at the present time. His speech, during the Foreign Affairs debate on 8th March was the only one which is recorded as having won applause. It would, however, be idle to pretend that the views he expresses are not far in advance of those of his compatriots in so far as association with the Western Powers is concerned. The sudden adoption of such a policy by the Western Powers in U.N.O. might quite possibly lead to India walking out of U.N.O. as well as Russia and her satellites. It will be recalled that Pandit Nehru, in his speech on 8th March, defended India's negative attitude over the veto issue on the ground

that he preferred U.N.O. plus the veto, to the disappearance of U.N.O. which seemed to him the only alternative.

14. The theme of a world government was taken up by Mr. Lohia and Mr. Roy in the speeches referred to in paragraph 10 above, it also formed the subject of a broadcast to America by the Prime Minister on 4th April. I enclose a copy of an extract⁽¹⁾ from the *Statesman* of 5th April, giving the text of the broadcast, but, as already indicated, all these speakers either simultaneously or subsequently have expressed a wish that India should be neutral in a war between the Power blocs.

15. The question of India's membership of or connexion with the British Commonwealth of Nations, however germane it may appear in the context of India's foreign policy is, I believe, in fact rather a separate issue.

It has been the subject of telegrams which I have addressed to you since my return to Delhi.

16. Before attempting to sum up, I think I should say that the view most widely held in official circles is that, much as India might like to try to keep out of war, she will, in fact, be unable to do so, and will be forced by circumstances beyond her control to come in at a very early stage, and that on the side of the Western Powers. This view was in substance advanced to Mr. Symon by Mr. Iengar, normally Private Secretary to the Prime Minister, and in the absence of Sir Girja Shankar Bajpai in New York, officiating Secretary-General of the Ministry of External Affairs and Commonwealth Relations, in an informal conversation in which Mr. Symon mentioned the unfriendly impression conveyed by Pandit Nehru's speech of 8th March. At the same time, however, Mr. Iengar made clear that India was not anxious to come off the fence until she had to, even if only for the reason that, were she to do so, the chances of war might be increased. Mr. Iengar's argument was that the scales were now more or less evenly balanced between Russia on the one hand and the Democracies on the other, and if India were to join the latter the U.S.S.R. might feel compelled to harden their attitude still further and possibly indulge in some action which would bring war closer. The logic of Mr. Iengar's argument is not very impressive but point has been added to it by a statement which Pandit Nehru is reported to have made when addressing a gathering

(1) Not printed.

of refugees in Kurukshetra on 8th April. According to Press reports Pandit Nehru said that "India should do nothing to precipitate a crisis in the world over which the clouds of war were already hovering. It would not be possible for India to remain in isolation if a world conflagration broke out." It will be noted that this utterance of the Prime Minister stands in almost direct contradiction to his speech of 8th April (see paragraph 10 above [and the enclosure referred to in that paragraph]).

17. I will not at this stage venture a definite opinion as to which of the Prime Minister's conflicting statements most accurately represents his views. After his speech of 8th March the Belgian Ambassador and Mr. Kearney the High Commissioner for Canada, professed to see in his assertion that "India was opposed to what was opposed to the fundamental democratic concept" proof that despite all his apparent hostility towards "imperialism," he had in fact thrown in his lot with the Western Powers. Their views have to some extent been confirmed by important organs of the Communist world press, including, I understand *The Daily Worker*. But I think it would be dangerous to draw any too definite conclusions on this point at this stage. It may well be that Pandit Nehru is becoming more and more convinced that, in the event of a world conflict, India will, whether she likes it or not, find herself on the side of the Western Powers. But it is not a prospect which he relishes in the least, and although he may feel that he ought to shape his policy accordingly, he has a tendency to shelve unpleasant decisions, however inescapable they may be, until the last possible moment. In the meanwhile, until his decision is taken, he is in his public speeches, inclined to blow hot and cold according to his particular emotion at the moment.

18. In brief, it seems reasonable to sum up the present position, with regard to the matters dealt with in this despatch, as follows :—

- (a) Despite the personal goodwill in India to Britons in general, the political value of which cannot yet be assessed, and regardless of India's present membership of the British Commonwealth of Nations, the Indian public is anxious to remain neutral for as long as possible even if Britain becomes involved in war. It is consequently by no means

certain that Pandit Nehru could bring the Indian people into war even if he wanted to.

- (b) The Indian public will be opposed to the abandonment of neutrality in favour of the U.S.S.R. (unless India is asked by the "imperialists" to do something which savours of subjection), because apart from the Communists, the bulk of them are basically antipathetic to Communist ideology.
- (c) Independently of any line which Pandit Nehru may himself adopt, the following considerations will tend to influence public opinion in the direction of abandoning neutrality in favour of Britain and the Democracies :—
 - (i) The gradual evolution of an international complexion to the anti-Communist front.
 - (ii) Proof by the Western Powers of their ability to continue the supply of capital goods to India.
 - (iii) Any sign that the Western Powers are pursuing a policy of economic equality in the social field and liberalism in the Colonial field.
 - (iv) Any change in the public estimate of the balance of power in the world which brings about both a belief that the United States, even if unlikely to be defeated in war, will not necessarily win a war quickly, and a realisation that, having regard to the damage that would be done in the course of prolonged hostilities, India is directly interested in the course as well as the outcome of any world struggle.
 - (v) Any sign of active support of the Communist Party in India by the U.S.S.R. and indeed any substantial growth of the internal menace of Communism in India or elsewhere in Asia.

I am sending a copy of this despatch to the High Commissioners for the United Kingdom at Ottawa, Canberra, Wellington, Pretoria, Colombo and Karachi.

I have, &c.

TERENCE SHONE.

C.R.O. ref.: POL 1265/48
F.O ref.: F 9064/76/85

No. 9

PROPOSED INTEGRATION OF INDIAN STATES INTO INDIA

Sir T. Shone to Mr. Noel-Baker. (Received in Commonwealth Relations Office, 18th May)

(No. 81)

New Delhi,

Sir,

5th May, 1948.

In continuation of the views of despatches ending with Mr. Symon's despatch No. 37 dated 26th February, 1948, I have the honour to address you on further very important developments in the Government of India's plan for integrating the Indian States. These are *first* the establishment of the Union of Matsya (Rajputana), *second* the Union of Vindhya Pradesh (Central India), *third* the formation of the new centrally administered Province of Himachal Pradesh (the Punjab Hill States) excluding Tehri Garhwal, *fourth* the Union of Rajasthan (Rajputana) and *fifth* the United State of Gwalior, Indore and Malwa (Madhya Bharat) in Central India.

First: The Union of Matsya

2. This Union came into existence on 17th March and is composed of the States of Alwar, Bharatpur, Dholpur and Karauli in North and East Rajputana. It has an area of 7,500 square miles, a population of nearly 2 million and a revenue of Rupees 1 crore. The Maharajah of Dholpur has been elected as the Raj Pramukh and the Maharajah of Alwar as the Up-Raj Pramukh. The name of the Union is derived from an ancient Hindu dynasty of Matsya Kings who ruled in the neighbourhood of the territories of these four States. The Covenant regulating the Union of these States is enclosed as Appendix I⁽¹⁾ to this despatch and follows fairly closely the model of that for the United State of Kathiawar which was transmitted with Mr. Symon's despatch No. 32 of the 10th February, 1948. According to this Covenant there will be a Council of Ministers chosen by the Raj Pramukh to help in the administration in the interim period pending the setting up of a Constituent Assembly of 20 elected members which will be convened at an early date to frame the final constitution of the United State within the framework of the Covenant and the Constitution of India and providing for a Government responsible to the Legislature.

3. These four States have for long been backward in their respective administrations and had incurred the ire of the All-India States People Congress. The reputation of two of them, namely, Alwar and Bharatpur, had been lowered even further by the shocking slaughter of State Muslims which took place in the autumn of 1947 and as a result of the activities of the R.S.S.S. in these States both before and at the time of the assassination of Mahatma Gandhi. Suspicions regarding R.S.S.S. activities led to the administrations of these two States being taken over by the Government of India after Mahatma Gandhi's death and to the Maharajah of Alwar being required to live outside his State pending enquiries. The Dominion Government were anxious not to offend Hindu susceptibilities too much at that time by actually deposing the two Rulers. They, therefore, made haste to convert them as quickly as possible into virtually powerless pensioners by the method of the creation of the new United State. At the time, however, of the inauguration ceremonies in Bharatpur a section of the local Jats who had been responsible in no small measure for the Muslim massacres referred to above were stirred up by a younger brother of the Ruler of Bharatpur to demonstrate against the loss of Bharatpur's independent existence. Troops of the Indian Union helped to dispel the demonstrators and the offending younger brother was taken into custody. Since then all has been quiet but efforts are now being made to associate the Jat communities of these four States more closely with the administration than is the case at present. The United State is, however, a small one, judged by standards elsewhere, with very poor administrative personnel. It would, therefore, not be surprising if the United State is integrated at some future date with another larger unit; perhaps the large and powerful adjoining State of Jaipur.

Second: Union of Vindhya Pradesh

4. This Union came into existence on 4th April and is composed of Rewa and the

⁽¹⁾ Not printed.

34 other States of Bundelkhund and Baghelkhund mentioned in Appendix II to the Covenant of Union which is enclosed as Appendix II⁽¹⁾ to this despatch.

5. The Union has an area of 25,000 square miles, a population of $3\frac{1}{2}$ millions and a revenue of Rupees $2\frac{1}{2}$ crores. The Ruler of Rewa is the Raj Pramukh and the Ruler of Panna the Up-Raj Pramukh. The Covenant regulating the Union of these States again follows the Kathiawar model and provision is made for the early formation of a Constituent Assembly to consist of not more than 36 elected representatives of the people on the basis of one representative for approximately one lakh of population.

6. Negotiations for the constitution of this Union took a long time to complete owing to the unwillingness of the premier State of Rewa to join up with the other much smaller States concerned. Eventually, the Ruler of Rewa consented subject to three special conditions :—

- (1) Under Article XVII of the Covenant it is provided that, if three-quarters of the representatives of the Rewa State in the Constituent Assembly vote in favour of opting out of the Union, the Covenant in so far as it affects that State will not be operative. If this option is not exercised within one month from the date of the first meeting of the Constituent Assembly, the provision of this Article will be inoperative.
- (2) In the interim period before the introduction of the new Constitution there will be one interim Ministry for Rewa and another for the remaining States.
- (3) The Ruler of Rewa, taking into account the revenue of his State, will receive the comparatively high allotment of Rupees 10 lakhs annually as his Privy Purse.

7. The notorious ex-Maharajah of Rewa who was deposed by the Crown Representative in 1946 for mal-administration has been doing his utmost to stir up agitation against Rewa's accession to the Union. On the occasion of the inaugural ceremonies in Rewa, a number of his henchmen demonstrated in his favour and against the United State. For safety's sake, the ex-Ruler was placed under protective custody in a hotel in New Delhi. After about a

month he absconded and returned to Rewa. Police officials from Delhi followed him to the State in hot pursuit and after some local excitement arrested him under the provisions of Regulation III of 1818 and he has now been lodged in the Delhi jail as a State prisoner. In view of the sympathetic support which Sardar Patel gave to him before the lapse of paramountcy, his present predicament is ironical to say the least.

Third: Himachal Pradesh

8. This centrally administered Province which came into existence on paper on 15th April is composed of the following twenty-three Punjab Hill States :—

Baghal, Baghat, Balsan, Bashahr, Bhajji, Bija, Darkoti, Dhami, Jubbal, Kalsia, Keonthal, Kumarsain, Kunihar, Kuthar, Mahlog, Mangal, Nalagarh, Sangri, Sirmur, Tharoch, Chamba, Mandi and Suket.

The Government of India hope that the one remaining Hill State of Bilaspur will join it shortly. The Province has an area of 11,000 square miles, a population of one million and a revenue of about Rupees 1 crore. Until its new Constitution comes into force it will be administered by a Chief Commissioner, assisted by an Advisory Council. Afterwards, a Lieutenant-Governor will replace the Chief Commissioner and in addition there will be an Advisory Council of three Rulers and a local Legislature with such constitution, functions and powers as the Government of India may from time to time specify. Except for the preamble the Agreement signed by these Rulers, a copy of which is enclosed as Appendix III⁽¹⁾ to this despatch, follows the model of that signed by the Rulers of Orissa and Chattisgarh, a copy of which was transmitted with my despatch No. 151 dated 22nd December, 1947.

9. Many of the constituent States are extremely small in size, with standards of administration hardly worth the name. Four alternatives were open to them, namely, merger with the East Punjab, merger with Patiala, a Union amongst themselves, or a merger into a new Province directly under the control of the Government of India. The Ministry of States disliked the first two alternatives as giving too much power respectively to the East Punjab and to the

(¹) Not printed.

Sikhs; while the States themselves are too weak and divided to create a Union amongst themselves. Therefore, the more radical solution of complete fusion with India was *literally* forced upon them by the Ministry of States. At any rate this solution would seem to afford the best opportunity for the general development of an area so rich in resources of all kinds and still so grossly unexploited. The task of building up a new administration for this unit altogether from scratch will be a monumental one and it is interesting to note that Mr. E. P. Moon, formerly of the I.C.S. and until recently Revenue Minister of Bhawalpur (Pakistan), has been appointed as Deputy Chief Commissioner to undertake this arduous duty. He is the first British officer to be given a civil appointment directly under the Ministry of States since August, 1947. The Chief Commissioner, Mr. N. C. Mehta, I.C.S., has been Secretary to the Ministry of Information and Broadcasting of the Government of India for the last three months. Before that he was Prime Minister of the Indore State where he made himself so unpopular that even the Ministry of States permitted the Maharajah to get rid of him!

Fourth: Union of Rajasthan

10. This Union was first inaugurated on 25th March and was composed of the nine Rajputana States of Kotah, Bundi, Dungarpur, Jhalawar, Banswara, Partapgarh, Tonk, Kishengarh and Shahpura. The premier Rajput State of Udaipur (Mewar) subsequently decided to join the Union, and it was reconstituted and reinaugurated as a Union of ten States by Pandit Nehru on 18th April. It has an area of 30,000 square miles, a population of $4\frac{1}{2}$ million and a revenue of over Rupees 3 crores. The Ruler of Udaipur is the President of the Union and will be entitled to hold office during his life-time. The Ruler of Kotah is the Senior Vice-President and the Rulers of Bundi and Dungarpur are the junior Vice-Presidents; each of these is to hold office for a term of five years. The Covenant regulating the Union of these States, which is enclosed as Appendix IV⁽¹⁾ to this despatch, again closely follows the Kathiawar model, though in Article XVIII it provides that the Government of the United State may negotiate a Union of Rajasthan with other States in Rajputana.

It also provides for the early formation of a Constituent Assembly to consist of not more than forty-five elected representatives of the people on the basis of one representative for approximately one lakh of the population and not more than six other persons to be nominated by the Raj Pramukh to represent special interests. An interim Ministry has already been constituted.

11. In the course of his speech inaugurating the Union, Pandit Nehru said: "While certain happenings made us stand disgraced in the eyes of the world, other constructive forces led us toward progress and solidarity. The move to form the various Unions of States was one of such forces. To some people maybe the formation of these Unions was not welcome but what mattered really was the demand of the time and what could be done to meet that demand. . . . Life was not static and if one did not adjust himself to his duties then one would cease to grow and progress. Rajasthan had suffered more than any other part of India and that was because of its people's refusal to move with the times. There was no dearth of chivalry or intelligence among them, but they had decided to remain in isolation from the rest of the world and that accounted for their fall."

Fifth: The United State of Gwalior, Indore and Malwa (Madhya Bharat)

12. On 22nd April the rulers of Gwalior, Indore and twenty other Central India States, whose names are given in the Covenant enclosed as Appendix V⁽¹⁾ to this despatch, agreed to the formation of this United State. Its formal inauguration is fixed to take place on 11th May and it is expected that all the United States will have formally surrendered their administrations by July, 1948. This new State is the largest Union hitherto created under the Ministry of States' new policy. It will comprise an area of nearly 47,000 square miles with a population of about $7\frac{1}{4}$ million and a revenue of Rupees 8 crores. The Muslim State of Bhopal is significantly not included within it. The Ruler of Gwalior will be the Raj Pramukh for life. The Ruler of Indore will be the senior Up-Raj Pramukh for life. The Rulers of Dhar and Khilchipur have been elected as Junior Up-Raj Pramukhs to hold office for five years. Gwalior and Indore cities will be

(¹) Not printed.

utilised as the winter and summer capitals respectively of the administration.

13. The Covenant regulating the Union of these States again follows the Kathiawar model but has some special and important provisions, namely :—

- (1) Certain large areas of these States as specified in Schedule II shall in accordance with the provisions of Article VII be administered by the Raj Pramukh in consultation with the Government of India. These areas are backward tracts inhabited in the main by aboriginal Bhils whom the Government of India are anxious to keep out of the orbit of the democratically governed part of the rest of the United State. Their intention is to give special facilities and attention to these areas until their inhabitants become more progressive. A wise precaution indeed when the previous turbulent history of the Bhils is taken into account.
- (2) Article VIII is a very radical innovation and permits the Dominion Legislature to make laws for the United State on all matters mentioned in Lists I and III of the 7th Schedule of the Government of India Act of 1935 except the entries in List I relating to any tax or duty. This is the first occasion the Government of India have been given such extensive powers in any States, excluding those that have been merged with Provinces, and it is understood they intend to require the other recently constituted States Unions to follow suit. It may well not be long before those States which are to continue as individual autonomous entities have to follow suit too. The Government of India had been fearful of creating one such large State as Madhya Bharat because of the administrative difficulties involved. It was only when they were given these powers under Article VIII of the Covenant that they decided that one State instead of two would be a practicable proposition.
- (3) Article X provides for the constitution of an interim legislative Assembly and also for the early formation of a Constituent Assembly to frame a Constitution of a unitary type providing for a Government responsible to the Legislature.

- (4) Under Article XI the *present* Rulers of Gwalior and Indore will receive an annual Privy Purse allotment of Rupees 25 lakhs and Rupees 15 lakhs respectively.
- (5) Under Article XVIII the Rulers of Gwalior and Indore are given the special concession of continuing to exercise their present powers of suspension, remission or commutation of death sentences in respect of any persons sentenced to death for a capital offence within their respective territories.

Conclusion

14. Thus, within the remarkably short space of five months the bulk of the Ministry of States' plan for the integration of the Indian States has been completed. The period of speculation and excitement is now over and henceforth will start the more tedious and difficult task of making these changes work efficiently and in the interests of the people. These innovations are certainly developments of historical importance. Time alone will show how successful they may be. Their success will depend in no small measure on the continued and increasing strength of the Dominion Government and the ability of each unit to set up an ordered and efficient administration. The Ministry of States certainly appreciate the importance of the latter and are drafting I.C.S. officers from various Provinces to hold charge of the principal administrative posts in each Union.

15. If, however, the Dominion Government becomes weak or immersed in troubles of its own or external making, fissiparous tendencies may well start appearing. The various Governments of these States Unions may well assume considerable independence *vis-à-vis* the Central Government or in the alternative the various States constituting these Unions may decide to reassert their own individual powers, leaving the central structure of each Union weak and frail. If the first of these alternatives should materialise, the possibility in particular of a new Mahratta Confederacy arising out of the Madhya Bharat State and from the shades of its 18th century predecessor cannot be ruled out.

16. On the other hand, a strong Dominion Government may assert and assume even more powers than they already have under these Covenants and Agree-

ments and thereby reduce the status of each Union to even less than that of an ordinary Province. In that event India would be more united than ever before in her long history.

17. I would add that copies⁽¹⁾ of each of the Covenants and the Agreement enclosed with this despatch have been

obtained privately from the Ministry of States.

18. I am sending a copy of this despatch and its enclosures to Sir Laurence Grafftey-Smith.

TERENCE SHONE.

I have, &c.

(¹) Not printed.

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No. 10

COMMUNISM IN INDIA

Sir T. Shone to Mr. Noel-Baker. (Received in Commonwealth Relations Office 29th June)

(No. 99)

New Delhi,

Sir,

18th June, 1948.

I have the honour to transmit herewith a copy of a report dated 14th May, 1948, received from the Office of the Deputy High Commissioner, Calcutta, on the second Congress of the Communist Party of India held in Calcutta from 28th February–6th March, 1948.

2. This Congress constitutes a most important landmark in Communist activities in India and requires to be viewed in the light both of preceding and succeeding events. In the serious communal disorders that followed the transfer of power in August, 1947, the Communists of the Indian Union without hesitation or delay denounced the forces of communalism at work in the country in terms just as strong as Mahatma Gandhi and Pandit Nehru. They loudly condemned the R.S.S.S. and its machinations in the East Punjab, Delhi, the United Provinces and the Rajputana States, particularly Alwar and Bharatpur where such deplorable massacres of Muslims occurred. They turned their wrath with equal force upon the Sikhs, their private armies and the Sikh Rulers of the Punjab States. They blamed too the Delhi administration for its weakness—even willing acquiescence—in last September's disturbances; while Indian industrialists in the United Provinces came in for special abuse as being largely responsible from behind the scenes for stirring up the people to take their vengeance on Muslims in Northern India. Much of all this condemnation was justified but along with it the Communist Party offered full support to the "Nehru National Government" in any steps which they considered necessary to bring the situation under control.

3. When these disorders had largely abated, Kashmir provided the Communist Party of India in November, 1947, with their next rallying cry. Sheikh Abdulla's Emergency Administration and National Conference Party became their focal point. Here was a movement containing a mixed brew of Communist, Socialist and peasants' republic precepts which exercised the strongest appeal to them and on which they doubtless thought much Communist influence could be brought to bear. Many Communist leaders visited Kashmir at Sheikh Abdulla's invitation and came back full of praise for his movement's fight for freedom against the twin tyrannies of the Pathan raider and the former Dogra régime.

4. When the early excitement of the fight in Kashmir had begun to cool off, the Communists turned their attention again to fomenting industrial unrest. Despite this, they continued to exhort their followers and all other believers in democracy to use their own words—to lend their full support to the Nehru National Government. The word "Nehru" was always strongly emphasised; there was never any reference to the Congress Government as such; and Sardar Patel's name was only mentioned in terms of criticism and caustic comment.

5. From December, 1947 to February, 1948, when the Calcutta Congress was held, the Communists were successful in leading a number of strikes in defiance of the Industrial Truce Agreement reached at a tripartite conference of representatives of the Central and Provincial Governments, employers and employees held in Delhi in mid-December, 1947. During these months, too, Sardar Patel visited important centres throughout the country including Calcutta,

Bombay, Patna and Lucknow, and in the course of this tour he invariably passed the strongest possible strictures on what he called the disruptive tactics of the Communists who, by discouraging production and fomenting unrest, were doing the greatest possible disservice to the country in the early days of its independence.

6. Then came the Party Congress reported upon in the enclosure to this despatch. Immediately preceding it in Calcutta was the South-East Asia Youth Conference (about which separate reports have already been sent) which was almost entirely Communist in character and was attended by a number of foreign Communist delegates. These latter naturally formed the closest contacts with the leaders of the Communist Party of India and played their full share in the complete reversal of former Party policy which was the dominating characteristic of the Party Congress itself. The Party's enthusiastic support for "Nehru's National Government" gave place overnight to an extremist programme aimed at their immediate overthrow as representing a "Government of national surrender and collaboration" which was supporting the Anglo-American *bloc*. This *volte face* in policy necessitated some scapegoat and it took the form of a change in the Party's Secretary. P. C. Joshi, a moderate Communist (if such a relative term can be applied to any Communist at all) who had held this office since the period of co-operation with the Government during the latter part of the war, was replaced by a complete extremist in B. T. Ranadive. The estrangement between Russia and the Western democracies certainly seems to have been one of the causes of this major change in Communist tactics as was to be seen from the lengthy Resolution explaining it. It is also difficult to resist the conclusion that Moscow did not have some hand in all this because beside the fact that foreign Communist delegates were present at the Congress, almost simultaneously Moscow started attacking Pandit Nehru and the Indian Congress Party for belonging to the "anti-progressive camp" (*cf. Trud* of 20th March).

7. Nothing very much happened for about a month after the Calcutta Congress when all of a sudden at the end of March, the West Bengal Government, without prior consultation with the Dominion Government, banned the Communist Party of India in that Province. The Provincial Government stated that this action had been

largely prompted by the Communists' threat to public security, their determination to indulge in industrial sabotage and the Provincial Government's belief that the Communists had been acquiring funds and illicit arms for training the Party's volunteer organisations. A certain number, but by no means all of the Provincial leaders, were arrested and public opinion generally supported the action taken though non-Communist left-wing groups and several newspapers (including the British owned and edited *Statesman*) were critical of what had been done and expressed their apprehensions of this curtailment of civil liberties.

8. Within a day or so of this action, arrests of Communist leaders were also made in Delhi, the United Provinces and the East Punjab. After a few more days—the lack of simultaneous action is significant—similar arrests without an actual ban on the Party, were made in Madras and Bombay, where Communists have their toughest leaders and command more influence than elsewhere. This lack of co-ordinated action naturally gave ample warning to many leaders to go underground, particularly in these two latter Provinces and even to-day, two months afterwards, a considerable percentage of the Party's foremost leaders are still at large. All this leads inevitably to the conclusion that the ban in West Bengal and the subsequent arrests elsewhere were not part of a co-ordinated plan between the Dominion Government and the Provinces.

9. Since then further arrests have taken place in different parts of the country only to be followed by the corresponding release of a number of less important Party members who were arrested early in April. No serious disturbances worth the name accompanied this punitive action though there were sympathetic strikes here and there. On the other hand, there have been disturbances and lesser breaches of the peace during the last month in various parts of the country which have clearly been the work of the Communists and may have been instigated in retaliation for these country-wide arrests. The area worst affected has been Madras, particularly in Malabar, where troops had to be called out to restore order and also around Bezwada in Andhra. In addition to this, the Bezwada Communists have been engaged for the last several months in making continual raids into Hyderabad State territory. These

activities as well as those of the State Communists have created, as mentioned in separate reports on this subject, a considerable state of insecurity in the South-Eastern districts of Hyderabad. The free hand which these Bozwada Communists have for so long been given made many think that both the Dominion and Madras Governments were using the Communists as one more stick with which to beat the Nizam and his Government. Very recently, however, the Madras Government have started to take more stringent measures against Communists all over the Province. In connexion with the Hyderabad situation there have also been persistent and not unreliable reports in recent weeks that the Communists (whether from Madras or those inside the State is not quite clear) have been making overtures to the extremist Muslims in the State, with a view to their joining hands against the State Congress Party to form a united front to maintain Hyderabad's independence. It is difficult to believe that the Communists sincerely desire a continuance of Hyderabad's independence under the Nizam; it is more natural to deduce that they wish, as is their wont, to fish in troubled waters with the ultimate intention of creating dissensions amongst the State Muslims so that if the internal situation in Hyderabad should seriously deteriorate they (the Communists)—being then the strongest Party—will be in a position to make a bid for power. If a peaceful solution of the Hyderabad tangle is not forthcoming, the Communists may well be able to make considerable mischief before they are finally put down. On the other hand, if an Indo-Hyderabad agreement is reached they should lose much of their present nuisance value and may well find themselves receiving severe treatment at the hands of the State authorities.

10. This despatch has so far dealt in the main with the action taken by the Provincial Governments but some analysis of the Dominion Government's policy and reactions towards all these events is also necessary. A few days after the banning of the Communist Party in West Bengal, the Dominion Government were faced with a Communist-encouraged strike of their employees in Calcutta, owing to their intention to retrench staff which had become grossly inflated as a result of the war. Just before the threatened strike was due to begin, Pandit Nehru made a strong and vigorous statement in the Dominion

Parliament in which he warned those concerned that participation in strike action would entail dismissal from service. He went on to say that "the House is aware of the grave international situation which faces the world. It would almost appear that the organised efforts that are being made to shatter the country's economy are deliberately meant to be related to these larger issues." This was Pandit Nehru's first public expression in such realistic terms of his apprehensions of present-day Communist trends inside and outside India. It was thought by many that this might be a portent of more vigorous action to come and some even wondered whether it would have its reactions on India's foreign policy.

11. Those who formed this view were soon proved wrong because a week later Pandit Nehru spoke in considerably milder terms when seeking to elucidate the anti-Communist action which had been taken throughout the country. After mentioning that the West Bengal Government's action had been taken independently of the Dominion Government he said that though he had sympathy for their (the Communists') principles, the policy of the Communist Party had undergone a revolutionary change and its practical effects had been dangerous for India's security services, *e.g.*, strikes, collection of arms and preparation to overthrow the Government by violent means. He proceeded, however, to add that the Government's action had nothing to do with India's stand in international politics and should not be taken to mean an expression of her sympathy for one *bloc* or opposition to another. "If there was a war in the world, India would not necessarily join it on the side of any one group. There has been no change in our foreign policy and we shall continue to follow an independent line of action." Again at the end of April, Pandit Nehru repeated his assertions that the Government had evidence to show that the Communists were planning nation-wide sabotage in certain parts of the country. He emphasised, however, that the Provincial Governments' anti-Communist measures were directed against individual Communists and not against either Communism or the Communist Party as such.

12. It is difficult to see or forecast just where all these recent developments will lead. There seems no doubt whatever of the revolutionary change of Party policy towards the present Dominion and Provincial Governments—to use Pandit Nehru's

own words; and it is difficult to believe that Moscow has not played its hand in all this. There is again no doubt that the recent arrests have not been part of a co-ordinated drive to root out Communism altogether. The Dominion Government have up to the present been content on what can only be termed half-measures; perhaps partly because of the desire of certain members of the Cabinet (particularly Pandit Nehru) not to restrict civil liberties unduly so shortly after India has won her independence and also because of their anxiety to avoid any suggestion that by taking extreme anti-Communist action they are thereby coming down on the side of the Anglo-American *bloc* and thus prejudicing their often expressed policy of non-entanglement and neutrality.

13. On the other hand, it is doubtful whether the Dominion Government have any certain appreciation of the real extent of Communist activities in India. The departure from India of so many experienced police officers after the transfer of power and the fact that the Central and Provincial Intelligence Bureaux are now so largely staffed by inexperienced officers, in addition to the position explained to a member of my staff by the Indian Intelligence authorities that they have no high grade agent who is in direct touch with the Communist inner circle, are important reasons for doubting whether a great deal is really known of what is going on in the Communist underworld. If this presumption be correct as regards the Government of India it applies even more to this High Commission when any attempt is made to estimate the extent of Communist activity and what the Party's future prospects are.

14. So far as it is at all possible to judge, it seems doubtful whether the organisation of the Party is sufficiently strong *at the present moment* to undermine the security of the Indian Union *as a whole*. There are, however, a number of ominous signs both in the foreground and on the horizon which might completely alter this picture for the worse. In certain parts of the country both the organisation and local influence of the Communist Party can, if allowed to go unchecked, bring about conditions of considerable insecurity. This is particularly the case in Southern India, in the Malabar and Andhra areas of the Madras Province and in the Kolar Gold Field area of the Mysore State. In Malabar a nucleus of hard-headed leaders, together with a land

tenure system which breeds discontent, greatly facilitates Communist activity. Communist influence is also strong in Calcutta and Bombay, and in the urban areas of West Bengal. In addition there are a number of tendencies in the political and economic life of the country which the Communists can very easily exploit with most serious consequences to the country as a whole. These include growing signs of Provincial jealousies and separatist tendencies which it is in the interests of the Communists to encourage with a view to the weakening of authority both in the Provinces and at the centre; as well as the growing political and economic demoralisation of the large Muslim minority in the Indian Union. There are also grave shortages of certain essential commodities, particularly cloth, with corresponding high prices. Industrial labour, too, is in an indisciplined mood and can be encouraged to strike or reduce production with the smallest provocation.

15. Besides these internal stresses there are potential external pressures as well. Rudovan Zogovic, a Yugoslav representative at the South-East Asia Youth Conference (referred to in paragraph 6 above) and subsequently a prominent figure at the Calcutta Congress (he is also said to be a member of the Cominform) prophesied that the Communists would overrun China and, having done that, would turn their attention to Burma and India. There seems little doubt that the Communists are making considerable headway in China at the moment and are also creating a good deal of trouble in Burma. Press reports indicate, too, that the Communists are extremely active in Malaya at the present time. There is, therefore, perhaps some justification for concluding that the Communist parties in South-East Asia are now working together on a central directive which, so far as India, Burma and Ceylon are concerned, regards the newly-established Governments there as reactionary *bourgeois* régimes on account of their failure, so far, to join the Russian-led "anti-Imperialist democratic camp." In this connexion, the known link-up between some prominent members of the C.P.I. and their counterparts in Burma cannot be overlooked; neither, too, can the recent tendency on the part of Russian propagandists to criticise India and her Government's policy. It seems, therefore, only prudent to assume, taking also into account the Communist Party of India's recent

change in policy, that it will not be long before Communist-directed attempts will be made in India to provoke serious strikes, agrarian trouble and the disruption of communications. Indeed, only a few days ago the Home Minister of the West Bengal Government said that surreptitious Communist literature seized since the Party had gone underground shows that the Indian Party's policy is to organise strikes throughout the country to paralyse the Congress Governments and simultaneously to carry on an underground movement for the next six months in preparation for a projected armed rising and a violent seizure of power.

16. Against these various ominous possibilities there exist a number of forces in the Indian Union which if properly co-ordinated should be able to prevent any serious deterioration in the country's security. A very large majority of the Ministers of the Central and Provincial Governments have no sympathy whatever with Communist precept and practice. If these various Governments act determinedly in unison they may be able not only to mitigate the political and economic tendencies which provide such a fertile breeding ground for Communism but also by vigorous executive action to keep Communist activities under proper control. Apart from this all-important prerequisite, there are certain other developments in the country which act as a counter influence to Communism. The newly created Congress sponsored Trades Union organisation, the Indian National Trades Union Congress, has made considerable progress during the last year. It claims a membership of 800,000 and is undoubtedly doing something to undermine the strength of the Communist-controlled All-India Trades Union Congress, hitherto the most powerful organisation of its kind in the country. Again, the constitution in March last of the new Socialist Party with its proposed All-India Trades Union organisation may do much to attract left-wing opinion which up to now has tended to associate with the Communist Party for want of any other strong independent party of the Left. The Socialist Trades Union organisation, if it gains many adherents, may be expected to win them over from the A.I.T.U.C. rather than from the I.N.T.U.C. and therefore act as an additional force in undermining the former's strength. It is indeed probably true to say that the Socialists as a whole are antagonistic to the Communists both on

ideological grounds and because of personal antipathies, but amongst the extreme Socialists there are individuals and groups capable of becoming "fellow travellers."

17. The main bulwark, however, against the immediate dangers of Communism is a United India with a strong Central Government exerting a determined influence over the Provincial Governments and the recently created States Unions. Perhaps the most vital question to be asked about India's future welfare is "will this leadership be forthcoming?" To this it would be difficult to give a categorical answer to-day.

18. I am sending copies of this despatch, for the preparation of which I am indebted to Mr. Shattock, in consultation with Mr. U'ren, to the United Kingdom High Commissioners at Canberra, Wellington, Pretoria, Karachi, Colombo and Ottawa.

I have, &c.,
TERENCE SHONE.

Enclosure in No. 10

Mr. Ramsay to Mr. Shattock

*Calcutta,
14th May, 1948.*

Second Congress of the Communist Party of India held in Calcutta from 28th February to 6th March, 1948.

My dear Shattock,

Please refer to the Secret unnumbered letter dated 1st April from Mr. Symon to Mr. Addison asking for a report on the above subject. The delay in submitting this is very much regretted and arose originally from a misunderstanding over which officer here was handling this subject as I did not return from England until the start of this Congress. As you are aware, at a later stage, it was necessary for me to seek hitherto untapped sources which alone have furnished the material which did not appear in the Press; and so more time was spent between the cultivation and the harvest.

2. The first mention noted by this office of the proposed Congress of the Communist Party was a report carried in the *Statesman* (Calcutta edition) dated 30th January, 1948, of an announcement by the Provincial headquarters of the Bengal Committee of the Communist Party. This was to the effect that it would be held in Calcutta from 28th February to 6th March, 1948, and it was expected that over 1,000 delegates

would attend, including delegates from Yugoslavia and France. It added that Mr. Sharkey of Australia, U Than Thun of Burma, and Dr. Wickramasinghe of Ceylon had already intimated that they would attend. The main Agenda given was :

- (a) Consideration of the present political situation.
- (b) The task of the Indian Communists in that connexion.
- (c) The election of the Central Committee.

3. *The Searchlight* (a Bihar Hindu newspaper) in its issue dated 1st February, 1948, carried a U.P.I. message with a Rangoon date line of 30th January that the Executive Committee of the Burma Communist Party had decided to accept the invitation to send delegates to the India Communist Conferences to be held at Calcutta from 22nd to 23rd February (*sic*). The delegates selected were Thakin Than Tun, Thakin Ba Thein, Takin Than Pe, Thakin Chit, Bo Hla Nyaing, Bo Yan Aung, Ko Aung Gyi (Mrs. Ba Hein).

4. *The Star of India* (a Calcutta Muslim newspaper) in its issue dated 27th February carried a Reuter's message with a Berlin date line of 24th February to the effect that Wilhelm Pieck and Otto Grotewohl, joint leaders of the Russian Socialist Unity Party, had declined with regret the invitation from P. C. Joshi to attend the Congress in Calcutta. The reported reason for this refusal conveyed in a letter was that "the British Authorities did not even permit them to travel the British zone of their own country." The letter, it was said, also congratulated the Indian Communists on their achievements in uniting all Left Wing parties in India and sent fraternal greetings for the mutual fight against their common enemies. The Reuter message was reproducing an item from the German newspaper *Neues Deutschland*, the Socialist Unity Party's official organ.

5. As you are aware the South-East Asia Youth Conference, which was Communist inspired, was held in Calcutta from 19th to 25th February and a note on this was forwarded separately by bag on 23rd March, 1948. The close of this was marred by the Dixon Lane shooting outrage reported in paragraph 8 of our Weekly Report No. 8 dated 2nd March, 1948, but an incident occurred earlier on 24th February. The Communists decided to defy the ban on processions by organising

a number of processions from various localities to a central meeting place. The Police made a lathi charge in which 12 persons were injured and five others arrested. The response to this was that the Trade Unions called for a general strike to be observed on 25th February, but without noticeable success. The reason for this challenge to the West Bengal Government was presumably to work up enthusiasm for and publicise the current Conference and forthcoming Communist Congress.

6. The Session of the Congress formally opened on 28th February, 1948, at Mohammed Ali Park and received very short notices in a few newspapers two days later. Except for six or seven references during the next few days the newspapers carried no items until the Session ended, when the fact that it had ended was dismissed in a few lines in two or three newspapers. The scant notice and silence, whether deliberate or through indifference, of the Press throughout was remarkable. A summary of Press reports seen are now given.

7. *The Statesman* (Calcutta edition) in its issue dated 1st March, 1948, carried an A.P.I. message giving sketchy covering of the opening of the Session on 28th February. It stated that 800 delegates from India and 15 fraternal delegates from Australia, Burma and Yugoslavia were present, who were welcomed by Mr. Muzaffar Ahmed on behalf of the Bengal Committee of the Party. Outlining the tasks of this Congress he said "Liberation of India from Imperialists and their *bourgeois*-feudal allies depends on the laying down of a correct policy and its resolute carrying out by the Communist Party." Mr. Sharkey from Australia in the course of his speech said that it had fallen to the lot of Indian Communists to lead a determined struggle . . . against the old conditions and usher in a new order. U Than Tun from Burma remarked that 1948 was a decisive year for the liberation movements in South-East Asia and the Indian Communists had a special rôle to play in these movements for real independence.

8. *The Amrita Bazaar Patrika* (Calcutta Hindu newspaper) and the *Morning News* (Calcutta Muslim newspaper) of 1st March carried very brief reports, but mentioned that a presidium had been elected consisting of Messrs. Muzaffar Ahmed, S. A. Dange, Gurmukh Singh, Mohammed Ismail, S. S. Mirajkar and Kalyanasundaram. They also mentioned that U Than

Tun was leader of the party of ten from Burma, and that from Yugoslavia had come M. Vladimir Dedier and M. Radovan Zogovic.

9. *The Star of India* and *Morning News* (both Calcutta Muslim newspapers) in their issues of 2nd March both carried an identical A.P.I. message reporting briefly on the meeting of the Congress on 1st March. It reported that Mr. Bhowani Sen, Secretary of the Bengal Provincial Committee of the Communist Party, presented a report on Pakistan. This report dealt in detail with the factors that had led to the creation of Pakistan, the character and conditions of the Pakistan State and Government and the perspective for the future of Pakistan. He also "contrasted the revolutionary people's way with that of the collaborationist *bourgeois* policy of the Nehru Government which while talking tall of freeing Kashmir, is propping up the Maharaja and taking the people under Anglo-American domination through the reference to U.N.O." Dr. Wickremsinghe delivered a message of greetings from the Party in Ceylon and spoke in the usual Communist strain and made a reference to the Duke of Gloucester. Mr. G. Adhikari presented the draft constitution of the C.P.I. which made certain changes in the old constitution adopted by the first party Congress.

10. We have no record of further notice being taken in the Press here, with one exception, until 8th March when the end of the nine-day Session was reported. On 7th March the *Morning News* carried a small announcement that the Second Congress would terminate that afternoon with a mass rally of workers and citizens of Calcutta at 3 p.m. at the Ochterloney Monument on the Maidan and the public were invited to come in large numbers.

11. *The Statesman* (Calcutta edition) in its issue dated 6th March carried a report (presumably by a reporter since no Agency was indicated) that a resolution was adopted at this meeting calling for a new front of workers, peasants and oppressed middle classes to lead the people against the Government's repressive policy and to establish a people's democratic State which would rapidly alter the country's backward colonial economy to a Socialist one and that that would bring better conditions for labourers. Another resolution condemned the assassination of Mahatma Gandhi. The conference, it went on, decided to limit the jurisdiction of the Party to the Indian

Union and to permit its units in Pakistan to form themselves into a separate party. In conclusion the *Statesman* report said that a Central Committee of thirty-one members was elected and Mr. B. T. Randive was appointed General-Secretary in place of Mr. P. C. Joshi.

12. *The Amrita Bazaar Patrika* in its issue dated 8th March gave five paragraphs to the concluding session. No acknowledgment was given to any Agency, but these read like an Agency message. It was merely noted that the Communist Party had declared at this last meeting that Pandit Nehru, Sardar Patel and the Congress leadership was "the political leadership of the *bourgeois* class" and their policies as "anti-people" having arisen out of their class character. The Indian Government was the outcome of the imperialist-*bourgeois* collaboration based on joint plunder of the people that both had carried on during the War years. The A.B.P. report while noting that Mr. Joshi, who had been General-Secretary since 1936, had been replaced by Mr. Randive added that it was understood that this displacement was due to Mr. Joshi's differences with the main party thesis adopted at this Session.

13. The record given so far in this reproduces what could be culled from the Press and open reports. There are certain other items of interest which have been obtained from sources which may be considered as fairly reliable. As it seems clear that the South-East Asian Youth Conference and the Second Congress were not unrelated and that it is almost certain that there were secret meetings before the Second Congress opened, I cannot determine with accuracy the stage of the proceedings when certain events which I give took place.

14. It was, I am almost certain, at a meeting on 29th February, 1948, that the following resolutions, among others, were adopted :—

- (a) Eulogising the action of the armed Red guerillas in the Telingana area of Hyderabad State for their heroic fight against the Nizam's Army.
- (b) Condemning the Nehru Government for implementing their long professed proletarian Government and the acceptance of the pro-capitalist policy.
- (c) Advocating the capture of power by the peasants and workers by any means.

- (d) Demanding the abolition of Zemin-daris without compensation.
- (e) Pressing for the abolition of the Feudatory States and the transfer of power to the people.

When the resolution at (c) above was being discussed in open conference Mr. Bhowani Sen, Secretary of the Bengal Committee of the Committee of the Communist Party, indirectly urged the audience to collect arms to fight their enemies.

15. During the course of this period from the last week in February to the first week of March there were meetings of the Polit Bureau and some points have been ascertained which came up in the secrecy of this Inner Council. At one Polit Bureau sitting Muzzaffar Ahmed, General-Secretary of the Bengal Committee, impressed on the members present that they were not believers in non-violence and he advocated the collection of arms because all the Powers in the world were arming themselves and, with every likelihood of a third world war, the Communists should not miss the opportunity then afforded of establishing a Government of their own. He also praised the Party men in Telingana for their collection of arms and their brave stand against the Nizam.

16. Another decision taken in the Polit Bureau was that the Headquarters of the Party should be moved from Bombay to Calcutta for the reasons that—

- (a) in Bombay the influence of Congress (*i.e.*, the Indian National Congress) over the people is greater than in Bengal and the majority of the workers and peasants in Bombay are pro-Congress;
- (b) there are so many parties and factions within the Congress Party itself in Bengal that there is no likelihood of a stable Ministry being formed in West Bengal. No single party can form a Ministry without forming a coalition, whereas in Bombay, the Congress organisation is sound with a single party functioning in control;
- (c) in the event of the Congress High Command or Congress Governments deciding on an attack on the Communists, the Communists would be safer in West Bengal. In addition it was easier to go underground with the borders of Eastern Pakistan and Chandernagore lying so close to Calcutta;

- (d) in West Bengal and particularly in Calcutta, the Communist Party and its doctrines is receiving greater response from the lower middle class.

17. In considering these reasons for the move of the headquarters I asked a source whether the Polit Bureau had not taken into consideration the fact that most of India's basic industries and war potential were based close to Calcutta. The source thought they had recognised this. The reason given at paragraph 16 (d) is also interesting in that I have been told by other sources that the Communist Party, certainly in this area, is changing the emphasis of its work from among the industrial and factory labourers to the "white collar" class, the lower middle class, the clerks, the teachers, the lower Government servants, &c.

18. I am informed of two other decisions which were taken in the Polit Bureau. One being that special care was to be taken to organise groups and unions in the different departments of the Armed Forces so that in time of necessity the Army certainly would be at the Communists' command. The other, though perhaps following naturally from the move of the headquarters, being that the Communist Party organ the *People's Age* should be published from Calcutta and not from Bombay and that a big rotary machine should be bought.

19. One of the most noteworthy aspects of the holding of this Second Congress is the indifference of the Press (and the public), amounting almost to complete exclusion of news, towards the open avowal of the reversal of the Communist Party's policy towards the Government of India, or rather, towards the Congress Government. This indifference or failure to catch the interest of the public mind (including, in my personal opinion, many of the mercantile community) has become more apparent during the gathering of material for a report on this event which occurred two months ago, and for such material as is now presented, whether it is right or wrong, I am greatly indebted to certain sources who provided pieces of information which I have merely had to put together.

20. I shall shortly be submitting another report on the circumstances leading up to the banning by the West Bengal Government of the Communist Party.

Yours sincerely,
N. RAMSAY.

RELINQUISHMENT OF OFFICE BY LORD AND LADY MOUNTBATTEN

*Sir T. Shone to Mr. Noel-Baker.—(Received in Commonwealth Relations Office
5th July)*

(No. 100)

New Delhi,

Sir,

24th June, 1948.

Early on the morning of 21st June, the last British Governor-General of India and Countess Mountbatten of Burma left Delhi by air on their return to the United Kingdom. It was almost exactly fifteen months since Rear Admiral Viscount Mountbatten had succeeded Field Marshal Earl Wavell as the last representative of the King Emperor in undivided India; it was just over nine months since His Excellency—raised, like his predecessor, to an Earldom—had been sworn in as the first Governor-General of the new Dominion of India to which partition had given birth.

2. Some two hours later on the morning of 21st June, the Chief Justice of India, Sir Harilal Kania, administered to Shri Chakravarti Rajagopalachari, the first Indian Governor-General of this Dominion, the oath of allegiance to His Majesty King George VI.

3. The events recorded in these few sentences must surely be unprecedented, not merely in the annals of India and Great Britain,—for so long interwoven—but in the chronicle of history. And yet it may be said that their singularity was rather one of timing and performance than of purpose, inasmuch as the changes inherent in them had for long past been regarded either as desirable in due time or at some stage inevitable, in pursuance of the statecraft which has formed and developed the British Commonwealth of Nations.

4. I need not comment on the personality and attributes of the new Governor-General, with which not only His Majesty's Government but all who have been concerned with Indian affairs in recent years are familiar. Nor shall I venture to forecast the future course of events or policy in the Dominion of India or the extent to which His Excellency Shri Rajagopalachari may influence or mould them. The fact of primary importance, with regard to his appointment, is that it has been warmly welcomed, not merely in India itself and also in the United Kingdom, but by the

British Commonwealth, including Pakistan, as well as by other countries.

5. Before reverting to the main subject of this despatch—the remarkable tenure and relinquishment of their high offices by Lord and Lady Mountbatten,—I beg leave to draw attention to the inaugural speech of the new Governor-General, of which I have the honour to enclose the text.⁽¹⁾ It contains much that is apt and timely. It is also of interest that Lord Mountbatten's successor, clad in a simple dhoti, was installed with all the pomp and circumstance that have hitherto been observed on similar occasions in the past. In a speech at a farewell dinner party given to Lord and Lady Mountbatten by the Heads of Foreign and Dominion Missions accredited to India on 17th June, the outgoing Governor-General emphasised that the Government of India had recognised that due ceremonial was desirable on suitable occasions. The swearing in of his successor was thus accompanied by the customary ritual of fanfares, procession to the dais in the Durbar Hall in Government House, the playing of "God Save the King," now followed by the Indian national anthem—for which the Central Government have pronounced in favour of Jana Mana Gana but which has not yet been accepted by all Provincial Governments—and a Royal Salute.

6. I need not catalogue the many other farewell functions, besides the diplomatic corps' dinner party, which were given in honour of Lord and Lady Mountbatten during the last few weeks. They had already begun when my wife and I invited Their Excellencies to meet members of the United Kingdom community in Delhi some three weeks ago. The climax came in the last few days—a reception by the Prime Minister at his residence on 19th June, a vast gathering in Gandhi Grounds organised by the Delhi Municipality on the afternoon of the 20th, when an address was presented, and finally a dinner party given by the Prime Minister and the Cabinet at Government House on the night of the 20th,

(¹) Not printed.

at which 104 people were present and after which the gardens of Government House were thronged by several thousand more, anxious to take leave of Their Excellencies.

7. *The Statesman* gave a graphic account of, and some interesting comments on the scenes in Old Delhi, when unprecedented crowds assembled and displayed no less enthusiasm than on Independence Day—15th August, 1947. On their way to Gandhi Grounds, Lord and Lady Mountbatten drove through the famous Chandni Chowk, where thousands of people lined up to cheer them. They were garlanded at intervals by various organisations and flowers were showered upon them by the crowds in the streets and from the house-tops. Never before in the history of Delhi had any Governor been so greeted. According to *The Statesman*, it was the first time for 36 years that a Governor-General had driven in procession through Chandni Chowk; the last to do so was Lord Hardinge in 1912, when a bomb was thrown by an unknown person.

8. At the Government's dinner party for Lord and Lady Mountbatten on their last night in Delhi (which, in accordance with the custom now prevailing at Indian official functions, was "dry"), the Prime Minister—in the course of his moving tribute to Their Excellencies and Lady Pamela Mountbatten—referred to "this wonderful demonstration of friendship and affection" by the common people of Delhi, after which any words of his could be but in the nature of an anti-climax. Dominion High Commissioners in Delhi rank not only below Ambassadors and Ministers but also below Chargé d'Affaires; and I was seated so far down the long table that the noise of fans and air-coolers—not to mention photography—prevented my catching more than occasional sentences of Pandit Nehru's speech. It was obvious that he spoke with deep emotion. I enclose the texts⁽¹⁾ of his speech and of Lord Mountbatten's reply. Lady Mountbatten also responded with all that grace to which Pandit Nehru paid eloquent tribute. I have heard it said that the Soviet Ambassador did not drink The King's health, though he raised his glass to the toast of India. However, that may be, a Cabinet Minister who sat next to my wife remarked that M. Novikov did not seem to relish "all this palliness between our two countries." Incidentally, I did not see M. Novikov in

his place at the inauguration of the new Governor-General on the following day.

9. At the end of his speech, Pandit Nehru presented Lord and Lady Mountbatten with a salver on which were engraved the signatures of all the Governors of Provinces and members of the Cabinet. Lord Mountbatten presented to the Government and people of India, as a personal gift from The King, the set of silver-gilt plate, specially designed by the Worshipful Company of Goldsmiths and Silversmiths with the approval of His Majesty King George VI, to fit into the State dining room at New Delhi. "It was," said His Excellency, "His Majesty's particular desire to give this in token of friendship, not only on behalf of himself, but as a symbol of the friendship of all Englishmen and women and indeed of all the people in the United Kingdom to the people of India."

10. I did not witness the departure of Lord and Lady Mountbatten from Government House on the morning of 21st June. In common with members of the Cabinet and the diplomatic corps, my wife and I had gone to Palam airport to bid Their Excellencies farewell. The ceremonial was similar to that observed on previous occasions of the kind; this time, it was marked by a further outburst of enthusiasm on the part of the assembled crowds.

11. The story of Lord and Lady Mountbatten's achievements since their arrival in India some fifteen months ago would need a volume or more to describe. All that was accomplished in these few weeks before 15th August, 1947, during which Lord Mountbatten was the last Viceroy of undivided India, is not merely well known to His Majesty's Government but is already a part—and a momentous part—of history. Posterity will be the judge of those achievements and of the policy of His Majesty's Government to which they gave effect.

12. The ten months of Lord Mountbatten's tenure of the post of Governor-General of the new Dominion of India have been scarcely less eventful and they have been marked by the same untiring energy and winning qualities which, if I may so put it, carried Their Excellencies through to 15th August and, as I said in a despatch written a few days later, made that day so much theirs.

(¹) Not printed.

13. It will, I believe, have been clear from telegrams and despatches from this High Commission—apart from the tributes paid to Lord Mountbatten by Indian leaders—how great a part His Excellency played during the critical time last autumn, when the Indian Cabinet turned to him for arms against the sea of trouble which beset them, and also how strong an influence he has been able to exert since then in a host of other matters, thanks to the confidence reposed in him by the Government of India. The effect on the relations between the Dominion of India and the United Kingdom of the close friendship between Their Excellencies and the Prime Minister—to mention but one important figure on the Indian stage—has been of signal importance. The manner in which Their Excellencies have been greeted with unprecedented enthusiasm and affection by the people of India on their many visits to different parts of the country is common knowledge.

14. It is but right to say that the policy of His Majesty's Government and the work of Lord Mountbatten have not been immune from criticism. This has been privately expressed, for instance, by some of the Indian Princes, more especially since the rapid merging of the States during the last few months. Moreover, as you will be aware from Sir Laurence Grafftey Smith's reports, many bitter things have been said and written of Lord Mountbatten in the Dominion of Pakistan. He has been mercilessly pilloried by the cartoonist of *Dawn*, the leading newspaper of Pakistan, not least on the verge of his departure. In all the circumstances this was no doubt inevitable; but it serves to illustrate the difficulties which surrounded His Excellency. Any other occupant of his high office would have had to contend with them and bear their burden; but after the birth-pangs of partition and in all the strains and stresses which have afflicted the two new Dominions and their relations with each other, the position of a British Governor-General in one of them alone, and especially that of the Governor-General under whose ægis partition had been put into effect, must surely, as time went on, have become even more difficult, at least from the external aspect.

15. It is a matter for regret—not least to Lord Mountbatten himself—that a solution of the problem of India's relations

with Hyderabad was not reached before His Excellency's departure, despite all his efforts up to the eleventh hour and the support which he received from Pandit Nehru and the Indian Cabinet. The Government of India have been the target of constant and vigorous criticism on the part of Indian public opinion, in which not only the leaders and organs of other political parties but also Congress newspapers have joined, in respect of their so-called weakness towards Hyderabad. I have no doubt that Lord Mountbatten went as far as he could, in his position, to induce the Government of India on the one hand to be reasonable and the Government of Hyderabad on the other—with Sir Walter Moncton's help—to accept the compromise solutions offered. In going so far as he did, he risked forfeiting some of the goodwill he had won in India.

16. Before they left Delhi Lord and Lady Mountbatten broadcast farewell messages from All-India Radio. I enclose the texts.⁽¹⁾ In the course of his message Lord Mountbatten said:—

“ I can never say with what emotion I received the invitation, which was generously ratified by the Constituent Assembly as its first act during the midnight meeting of 14th–15th August last year, to be the first constitutional Governor-General of Free India during the interim period. I gladly agreed to stay on until 31st March, 1948, the date specifically mentioned in the Indian Independence Act as the end of the interim period, and, later, I was deeply honoured by the invitation to extend this time until June. It has been difficult to decide at what juncture it would be in India's best interests that an Indian should be appointed in my place. But I hope that time will show that I have stayed long enough to be useful, but not too long, so as to deprive India of the right, which her freedom has conferred on her, to choose one of her own people to be the head of the State. It is a particular pleasure to me that the choice should fall on my friend, Rajaji, for no one is better qualified to take over the post.”

16. Sooner or later a date had to be set for the change; and it is too early to judge its timing.

17. I wish here to record my conviction, which is shared by those members of my

⁽¹⁾ Not printed.

staff who have had the most intimate contacts with Government House, that His Excellency's influence with the Indian Government has been abundantly used in the sense of moderation and restraint and with the impartial purpose of bringing about happier relations between the two Dominions.

18. There can be no doubt that the countless tributes paid to Their Excellencies, not only in Delhi but all over India, on their leaving, are wholehearted. The Indians, as Pandit Nehru emphasised when I first met him, are emotional; but they also have long memories. The respect, admiration and affection which have

characterised the attitude of so many Indians of different castes and creeds and in all walks of life towards the last British Viceroy and Governor General and Lady Mountbatten must surely have left an enduring impression. The shouting, at least, has died; few could with justice deny that a great Captain has departed; and indeed there is much else in Kipling's "Recessional" which seems relevant to the events described in this despatch, to the circumstances in which they came about and to the destinies at least of the people most intimately concerned.

I have, &c.

TERENCE SHONE.

C.R.O. ref.: POL 1670/48

F.O. ref.: F 12523/76/85

No. 12

DEVELOPMENTS IN THE GOVERNMENT OF INDIA'S PLAN FOR INTEGRATING THE INDIAN STATES

*Sir T. Shone to Mr. Noel-Baker (Received in Commonwealth Relations Office
29th July)*

(No. 110)

Sir,

*New Delhi,
21st July, 1948.*

In continuation of my despatch No. 81, dated 5th May, 1948, on developments in the Government of India's plan for integrating the Indian States, I have the honour to transmit herewith three copies⁽¹⁾ of a White Paper on Indian States published by the Government of India last week, almost exactly one year after the States Department, subsequently to become the Ministry of States, was set up on 5th July, 1947.

2. The developments in Indian States during the year reviewed in the White Paper have indeed been remarkable and far-reaching in their effects: 219 States have been merged with neighbouring Provinces, 22 States have been moulded into two centrally-administered areas and 294 States have been consolidated into six large Unions. This process of integration has reduced the number of States from about 600, varying in size from territories larger than some European countries to petty estates of only a few acres in area, and enjoying systems of government ranging from feudal despotism to comparatively enlightened administrations with a greater or less degree of popular

representation, to less than one-twentyfifth of the original number. The petty States, incapable owing to the paucity of their resources of developing a reasonable standard of administration, have virtually ceased to exist and no regret need be expressed on the passing of those picturesque anachronisms. Measures to introduce a degree of popular government have also advanced considerably in the newly formed units and those larger States which remain as yet untouched. When the size and complexity of the problem as it existed in July 1947 is realised, the progress that has been made by the Ministry of States is by any standard remarkable, and the self-congratulation which the Government of India permit themselves in the White Paper is not without justification.

3. Press reactions to the White Paper have emphasised the magnitude of the achievement, though few papers have failed to point out what the White Paper itself admits, that developments so far represent only the first stage in the process of bringing the whole of the territory included within the boundaries of the Indian Union on to a uniform basis, and that much remains to be done. In a leading article, *The Hindustan Times* says:

⁽¹⁾ Not printed.

"It will be possible to appreciate the magnitude of the bloodless revolution that has been brought about only if the actual state of affairs on the eve of the end of British rule is clearly visualised The White Paper must confound all those who have been trying to mislead the people into thinking that the National Government at the Centre has not been effective and has not been able to achieve results. It is a glorious record of which the country must be proud There is still much work to be done. Hyderabad has yet to be tamed and integrated with India. The accession of the States and its terms have to be finalised and incorporated in the constitution. The remaining smaller States have to be merged or grouped and attempts have to be made to evolve a union of Travancore and Cochin with British Malabar and of Mysore with new Karnataka. Moreover, many of the States have no administrative machinery worth the name and few have land records or land revenue system. Political and administrative stability under new conditions has yet to be created." *The National Herald* points out: "As for the political set-up, full responsible government is in operation only in five States, Travancore, Mysore, Baroda, Kashmir and Mayurbhanj. It is obvious that some of the rulers are taking advantage of the interim set-up for postponing political reform." Other pro-Government papers follow a similar line, but as is to be expected, the official organ of the Socialists, *Janata*, cannot resist the temptation of criticising the Government. Describing the White Paper as "of a piece with the rather florid exhibitionism that has characterised all the policies of Sardar Patel's pet Department," it states that what has been achieved is modest if measured by the degree of democracy imported into the States, and that the way of achieving it has been so spectacular that people tend to forget to look at results. It suggests that a more downright policy would not have been dangerous, considering how hollow the rule of the Indian Princes really was, and would have given India a chance to start without the handicap of "constitutionalised sinecures" such as the Rajpramukhs.

4. The formation of all the major Unions of States has been dealt with in previous despatches, with the exception of the new Union of Patiala and the East Punjab States, of which the covenant was signed by the rulers of the six salute States of

Patiala, Kapurthala, Jind, Nabha, Faridkot and Malerkotla and the two non-salute States of Nalagarh and Kalsia on 5th May, 1948. A copy of the covenant is printed as Appendix VIII of the White Paper. In general, the covenant for this Union follows the model of that of the Union of Madhya Bharat (*cf.*, paragraph 13 of my despatch No. 81, dated 5th May, 1948) and similarly includes mandatory provision enabling the Dominion Legislature to make laws on the matters mentioned in Lists I and III of the 7th Schedule of the Government of India Act of 1935, except the entries in List I relating to any tax or duty. The covenant also recognises the special position of Patiala, whose ruler is to be Rajpramukh for life. In the election of the Rajpramukh thereafter, the rulers of the States of the Union will exercise votes equal to the number of lakhs in the population of their States.

5. The inclusion in this new Union of the important State of Patiala represents a departure from the original policy of the Ministry of States, which was to form a union of the Phulkian States of the East Punjab, excluding Patiala which was to have remained independent, with the object of preventing too complete an integration of the Sikh States. On further examination, that plan was found impracticable in that a Union of Phulkian States without Patiala would scarcely be a viable unit, and would have to merge either with the East Punjab or with Patiala. The latter arrangement is believed to have been preferred because the Maharaja of Patiala himself is opposed to the Akalis and the inclusion of Patiala in the Union would save it from becoming Akali-dominated. The Government of India probably hope also that this solution may help to appease the irredentist Sikhs by giving them a semblance of a "Sikh homeland," whilst by retaining an anti-Akali at its head the Union would be unlikely to become too much of a focus for Sikh separatist activities.

6. All, however, is not yet smooth sailing, and there is much talk of Akali moves to separate Kapurthala, Faridkot and Nabha and either to form them into a new Union, or to merge them with the East Punjab. The Maharaja of Patiala's efforts to form an interim Ministry have, moreover, so far been unsuccessful. Both the Akalis and the Praja Mandal are determined that the Lok Sabha (which they accuse of being a creation of the Maharaja) should have no

part in the Government; Udham Singh Nagoke and the pro-Congress Sikhs are supporting the Maharaja and the Lok Sabha, and are therefore opposing the Praja Mandal; and the latter, which enjoys Congress support, has appealed to the Congress for guidance—with what result is not known. These curiously tangled alignments, typical of the involved politics of the area, indicate that, quite apart from its strategic importance, the new Union is likely to remain a political storm centre for long to come.

7. Paragraph 30 of the White Paper mentions that the State of Bilaspur is not to be included in the centrally-administered Province of Himachal Pradesh (as had been forecast in paragraph 8 of my despatch No. 81, of 5th May, 1948), but is now to be taken over by the Government of India as a separate centrally-administered area. The reason for this is said to be the location within the State of the contemplated Bakhra Dam, a project of all-India importance. There have been numerous complaints about the maladministration of this State and the misdeeds of its ruler, and the decision is no doubt designed to see that this territory comes more directly under the control of the Centre than would have been possible had it remained one of the several units of Himachal Pradesh.

8. There is one interesting point arising from the map attached to the White Paper to illustrate the progress made so far in the formation of units and mergers of States: Bhutan has been included within the frontiers of India as a State "at present remaining as a separate unit." An enquiry by a member of my staff from an official of the Ministry of External Affairs whether his Ministry had been consulted by the States Ministry about this definition of Bhutan revealed that the Ministry of External Affairs was not even aware of the error. A protest may no doubt be expected from Bhutan in due course, but there seems no reason to think that there was any ulterior motive (following the familiar Chinese pattern) behind this incorrect delineation of the frontier.

9. As is made clear in the White Paper itself, the most spectacular part of the Government of India's plan is now virtually complete. The first stage, that of integrating and consolidating a large number of small States into viable units, is finished, and the second stage, that of rendering democratic the Governments of the units thus formed, is well under way. Now remains the less spectacular but more difficult task of making these new units work. In most of the States political activity has been so restricted in the past that there are inevitably fewer experienced men in political life in the States than is the case in the Provinces, where politicians have been associated with the machinery of Government for many years. It will therefore not be surprising if the popular Ministries to be set up in the new Unions lack experience and ability; Ministry-making itself is in fact not proving easy in several of the Unions, owing to jealousies between their component States. There have been Cabinet crises in the Madhya Bharat Union, and a deadlock in Vindhyha Pradesh, of several weeks' duration, caused by Rewa State's insistence on predominant representation in the Cabinet, has only just been ended by the intervention of the States Ministry. The Unions also suffer from a dearth of administrators, to remedy which the Government of India are proposing to depute experienced administrative officers to them from the Provinces. That the task of such officers will not be easy is shown, however, by the recent resignation owing to differences of opinion with their Ministers, of the newly appointed I.C.S. Chief Secretary and the Inspector-General of Police of the Vindhyha Pradesh Union. It is hoped that the energy and drive which have made possible the creation in so short a time of the new Unions will not now be allowed to fall away before the more tedious tasks which remain, and that the new administrations will not be permitted to lapse into a slough of inefficiency and petty political intrigue.

10. I am sending a copy of this despatch to Sir Laurence Grafftey-Smith.

I have, &c.

TERENCE SHONE.

LINGUISTIC DIVISION OF INDIAN PROVINCES

*Sir T. Shone to Mr. Noel-Baker. (Received in Commonwealth Relations Office
3rd August)*

(No. 111)

Sir, *New Delhi, 19th July, 1948.*

I have the honour to address you on the subject of developments towards the redistribution of the Indian Provinces on a linguistic basis. An announcement (of which a copy is attached to this despatch) made last month from the Secretariat of the Constituent Assembly of the appointment of a Commission to enquire into all matters relevant to the formation of such new Provinces furnishes a suitable opportunity for a review of this controversial subject, which has long been engaging the public attention and of which mention has been made from time to time in my weekly Opdom telegrams.

2. The demand for the replacement of the existing provincial units by Provinces based on linguistic affinities is not new; indeed, it has formed a main plank in the Congress Party platform for many years. In the organisation of its own provincial Congress Committees, the Congress Party has since 1920 adhered to linguistic boundaries rather than to those of the existing administrative Provinces: for example, in Madras there are four "Provincial Congress Committees" (Andhra, Karnataka, Kerala and Tamil Nad), in Bombay three (Gujarat, Bombay and Maharashtra) and in the Central Provinces and Berar three (Mahakoshal, Nagpur and Vidarbha (Berar)). The areas of influence of these Committees correspond in the main with the areas of linguistic groups. The desirability of reorganising the Indian Provinces on similar lines now that India is independent has been officially recognised by the Congress Party, and that the newly-independent Socialist Party of India also supports this view is shown by a resolution passed by its national executive at Belgaum at the end of May this year.

3. The origins of the demand for such a reorganisation of the country's administrative units are several. That most frequently voiced is based on the feeling that the existing provincial units are creations of the British, imposed by them for administrative reasons and with little historical or cultural basis, a thesis in which there is

more than an element of truth. Nationalist sentiment, eager to sweep away as rapidly as possible all vestiges of foreign domination, finds in the existing Provinces a constant reminder of British rule and is anxious to replace them by more indigenous and "scientific" units. Coupled with this feeling is in some instances a desire to revive the past glories of the ancient kingdoms of India: the demand for a Marathi-speaking Province of Maharashtra, for example, certainly derives much of its popular appeal from memories of Shivaji and the Mahratta Empire. Another reason for the demand is the insistence that Government business should be transacted in local provincial languages rather than in English. This is a matter about which the rank and file of the Congress Party feel strongly, as (apart from nationalistic prejudice) many of them are comparatively uneducated and resent bitterly the disadvantage to which they are put when English is used: but strict insistence hitherto upon the exclusive use of the mother tongue has not proved practicable in several Provinces as the currency of two or more languages within the Province threatened to produce chaos in the Legislature and Courts. The extreme example of this is Madras, where there are no less than four major languages, Tamil, Telugu, Malayalam and Kanarese, and where English in consequence has for many years been virtually the *lingua franca*. If Provinces were re-grouped on linguistic lines this difficulty would largely disappear.

4. Probably, however, the strongest motive force for the establishment of linguistic Provinces (if not the most widely acknowledged) springs from the deep-rooted and in some cases surprisingly bitter antagonism existing between different linguistic groups. While the concept of an Indian nationality has come to be accepted by the better educated and more enlightened sections in the country, it is safe to say that it has made little impression on the uneducated masses who comprise the vast majority of the population. To a villager of the Central Provinces a South Indian Hindu, a Punjabi Sikh or a Bengali are as

much "foreigners" as the British, separated from him by nearly as wide a gulf in culture, customs and language. Strong linguistic cleavages have always formed a pattern of political dissension in multi-language Provinces: examples are the long-standing Andhra-Tamil Nad (Telugu-Tamil) and Mahakoshal-Maharashtra (Hindi-Marathi) controversies in Madras and the Central Provinces respectively.

5. With the transfer of power to Indian hands in August 1947, it was natural that the champions of linguistic Provinces should waste no time in pressing their demands. In Madras, where feeling on the subject has always been strong, the Madras Legislative Council passed a resolution last October to the effect that "the redistribution of Provinces on a linguistic basis is a necessary pre-requisite to the framing of a constitution for India" and urging that the Constituent Assembly should take the matter up at its next meeting. The resolution envisaged the replacement of the existing Province of Madras by separate Provinces of Andhra (Telugu), Tamil Nad (Tamil), Kerala (Malayalam) and Karnataka (Kanarese). Of these, the demand for an Andhra Province was the strongest and most long-standing, and in November, 1947, Prof. Ranga, an Andhra champion, raised the question in the Constituent Assembly. In reply, Pandit Nehru stated that the Government accepted the principle underlying the demand for linguistic Provinces and proposed to ask the Constituent Assembly to take steps to enquire into the matter. He accepted as legitimate the demands for an Andhra Province and said it raised relatively few difficulties; but he pointed out the need for careful enquiry and emphasized that the matter must be considered from the point of view of the country as a whole. The creation of new Provinces of Karnataka and Maharashtra, he argued, would raise greater difficulties. This statement, whilst giving satisfaction to the advocates of a separate Andhra, did not please the supporters of Karnataka and Maharashtra, and the next few months saw an intensification of the agitation for the formation of these two provinces and of Kerala and Tamil Nad. This campaign, in which all-India Congress leaders took part, culminated in the announcement by Dr. Rajendra Prasad, President of the Constituent Assembly, that a Commission would be formed to enquire into the whole problem.

6. The Commission, as now announced, is to consist of three members: Mr. S. K. Dar, a retired Judge of the Allahabad High Court, who is to be the Chairman, Dr. Panna Lall, C.S.I., C.I.E., a retired I.C.S. officer, and Mr. Jagat Narain Lal, a member of the Constituent Assembly. There will also be a number of Associate Members, representing the various linguistic areas, who will share in the proceedings of the Committee but will not take part in drafting its report. The terms of reference of the Commission are to examine and report on the formation of new Provinces of Andhra, Karnataka, Kerala and Maharashtra, and on the administrative, financial and other consequences of the creation of such new Provinces. The omission of any mention of Tamil Nad from the terms of reference does not mean that the claims of the Tamil-speaking element have been disregarded: if the formation of Andhra, Karnataka and Kerala is decided upon, what remains of Madras Province will be predominantly Tamil-speaking and will, in effect, form a Tamil Province.

7. The Commission has been instructed to submit its report in time to enable the new Provinces, the formation of which is recommended, to be mentioned in the First Schedule to the Draft Constitution before the latter is finally adopted, and the intention appears to be to defer final consideration of the draft Constitution until the report is ready. This is no doubt one of the reasons why the Constituent Assembly Session has been postponed until October. Fears have been expressed, however, notably in a recent leading article in *The Hindustan Times*, lest the adoption of the Constitution be unduly delayed and the work of the Commission be hurried, leading to the shelving or evading of difficult problems. (The dangers and administrative difficulties arising from hurried partition in Bengal and the Punjab are still only too obvious.)

8. It is not possible to forecast with precision what the final recommendations of the Commission will be, but the general belief is that it will recommend the formation of new Provinces somewhat on the following lines, based on the Congress Party "Provinces":—

Andhra

This, it is thought, will consist of the Telugu-speaking districts of north and south Vizagapatam, east and west

Godavari, Nellore, Guntur, Chittoor, Cuddapah, Kurnool, Anantapur and a part of Bellar District. Advocates of an Andhra Province would also like to see the Telegu-speaking areas of Hyderabad State included in it.

Karnataka

This will probably include the Kanarese-speaking districts of Bombay (north Kanara, Belgaum, Bijapur and Dharwar), south Kanara and a part of the Bellary District of Madras, and the Chief Commissioner's Province of Coorg. The advocates of Karnataka hope moreover that the wealthy and progressive State of Mysore will be included within its boundaries: whether this object will be achieved or not remains to be seen, but it is perhaps significant that provision has been made in the new Mysore constitution for the "integration" of the State with neighbouring areas.

Kerala

The Malayalam-speaking portion of Madras Province consists only of the District of Malabar, and there is clearly little practical hope of forming a viable Malayalam-speaking Province unless the States of Cochin and Travancore were included in it. There is no evidence that this is likely to happen and Mr. V. P. Menon (Secretary in the States Ministry) recently informed a member of my staff that his Ministry at least had no intention of making any such move for the present. There has been agitation within Travancore State in favour of such a course, but in the south of the State Tamils are in a majority and this has stimulated a counter agitation for the inclusion of that part of the State in a Tamil Province.

Tamil Nad

The districts of Madras remaining after those to be included in the other three Provinces have been detached are Tamil-speaking and are expected to form the Province of Tamil Nad. As mentioned above, the Tamil Nad party claim the southern portion of Travancore, and would also like to see Pondicherry and Karaikal included in their Province. The future of Madras City is likely to give rise to a dispute between Andhra and Tamil Nad, but the recent addition to the City of Saidapet and other suburbs to the south of Madras has considerably increased its Tamil majority.

Maharashtra

The Congress "Province" of Maharashtra consists of the Bombay districts of Poona, Sholapur, Bombay suburban, Satara, Kolaba, Thana, Ahmednagar, Nasik, Ratnagiri and East and West Khandesh; and it is likely that Berar and the Marathi-speaking districts of the Central Provinces will also be claimed for Maharashtra.

9. It is apparent that much will depend on the attitude of the States of Mysore, Cochin and Travancore; and the ultimate fate of Hyderabad will also have an important bearing on the question. Many of those who clamour for military action against the Nizam make little secret that their ultimate aim is the linguistic vivisection of Hyderabad and the attachment of its parts to Andhra, Maharashtra and Karnataka. Such a course, besides effectively demolishing any vestige of the Nizam's dominions, would have the advantage of greatly strengthening the resources of the three new Provinces.

10. The demands for the five Provinces specified in the terms of reference of the Constituent Assembly Commission are not however the only ones which have been voiced in recent months. A demand for the inclusion in West Bengal of the Bengali-speaking areas of Bihar (Manbhum, Singbhum, the Santhal Parganas and parts of Bhagalpur and Purnea) has engendered much ill-feeling between the two Provinces. Originally put forward by Mr. Sarat Chandra Bose, no doubt with the idea that by espousing a cause with such obvious popular appeal in Bengal he would revive his own flagging political prospects, the campaign was taken up by the West Bengal Provincial Congress Committee and the Government. An official representation was made by West Bengal to the Government of India and a counter protest by the Government of Bihar, and strongly worded statements were issued on both sides. The fact that the disputed territories include the Jharia coalfield, the most important in India, and the great iron and steel city of Jamshedpur does nothing to lessen the bitterness of the dispute. The campaign and the unconcealed manifestations of inter-provincial discord which it has evoked have clearly embarrassed the Central Government, and Pandit Nehru addressing a public meeting in the first week in June was highly critical of the West Bengal Government's action in

raising this issue when far greater problems were facing the country.

11. Another demand of which a good deal has been heard lately and which forms one of the leading items in the political programme of Master Tara Singh, the Sikh Akali leader, is that for the creation of a Punjabi-speaking Province. This would involve the disintegration of the present East Punjab Province, of which Simla, Kangra and parts of the Hoshiarpur and Curdaspur districts would probably be merged with Himachal Pradesh, the Jat area (Ambala division) with Delhi Province, and the Jullundur division with the Phulkian States Union to form a Punjabi-speaking Province. In such a Province the Sikhs, whose members have been swollen by the influx of Sikh refugees from the West Punjab, most of whom have settled in this area, would have a majority. This demand also is certainly not looked upon with favour by the Centre, whose fears that the creation of a Province dominated by Sikhs would lead to an intensification of Sikh separatist tendencies are probably not groundless.

12. Evidence is not lacking of a general increase in inter-provincial jealousies and rivalries which a re-division of the country on linguistic lines could not fail to exacerbate. Apart from the Bengal/Bihar dispute already mentioned, there has been a great deal of ill-feeling recently between Bihar and Orissa over the States of Seraikela and Kharsawan, which were claimed by both Provinces. The Ministry of States has arbitrated in favour of Bihar, but feeling in Orissa ran high and agitation against the order of the Ministry of States has by no means subsided. A similar, though less heated, dispute between the Central Provinces and Bihar over the States of Surguja and Jashpur also had to be settled by the Ministry of States, who decided in favour of the Central Provinces. In Gauhati (Assam) there were serious disturbances recently between the local Assamese and Bengali railway employees which necessitated the calling in of troops to restore order, troubles which appear to have arisen purely as a result of inter-provincial jealousies.

13. The danger of what Mr. Shankarrao Deo, General Secretary of the Congress Party, recently described as "the menace of rank provincialism" is now coming to be realised by the leaders of the Congress. Sardar Patel, who has always favoured a strong Centre, has from the outset been against the immediate formation

of linguistic Provinces and emphasised, in a speech in Bombay in January, that the first task of Government was to consolidate India's position, unite the country and create conditions of abiding peace; only when that had been achieved, he said, could the question of linguistic Provinces be settled. More recently Pandit Nehru also has condemned provincialism and the actions of those who were forcing the issue of linguistic Provinces at a time when the Government were preoccupied with other more urgent problems. Other leaders have followed suit, the latest being Dr. Katju, the new Governor of West Bengal. The tenor of all recent Government announcements on the subject has been that the Central Government should be strengthened and nothing done to impair its freedom to deal with the problems of the day. It seems clear however that the rank and file Congressmen will not be satisfied with this: the fact that a Commission has had to be appointed at all in present circumstances is evidence of this. The Old Guard of the Congress have always held provincial autonomy dear, and cannot be expected suddenly to share the new enthusiasm of their leaders for a strong Central Government. Typical of this school of thought is the *Amrita Bazar Patrika*, which remarked in a leading article highly critical of Pandit Nehru's view: "We think that to postpone linguistic re-distribution will be disastrous. It should be taken up at once and the new Constitution must start not with the encumbered and battered legacy of the British imperialist régime but with self-contained autonomous units conscious of their rights as well as eager to pool their resources together in a common human endeavour for social healing. It must be made clear also that the question involves not only the creation of new Provinces but demarcation of the boundaries of the existing ones as well." It is probable that the full implications of the campaign for linguistic Provinces, opened at a time when there was little if any likelihood of its succeeding, had never been realised and are only now being brought home to Pandit Nehru and his colleagues. In view however of the strongly expressed attitude of their supporters it seems unlikely that the Congress leaders will be able to stave off the demand for linguistic Provinces at least in the South, and the Commission will no doubt duly recommend the formation of the new Provinces mentioned in its terms of reference.

14. Whether the process will stop there is doubtful. The formation of the five new Provinces in contemplation will itself raise fresh problems: little will be left of Bombay Province once the Maharashtra and Karnataka Districts are severed from it, and what remains will presumably form the basis for Maha-Gujarat, a Gujarati speaking Province, though the continued separate existence of Baroda in the midst of this area will be awkward (so awkward, one is tempted to conjecture, that, if Hyderabad is eliminated, Baroda may well find itself subjected to much the same process of elimination). The Central Provinces, if Berar and the Marathi-speaking districts of Wardha, Chanda and Nagpur are lost to Maharashtra, will lose their Capital and most of their revenue, and could hardly sustain independent existence. The new unions and mergers of States and the revision of administrative boundaries arising from them give another fillip to the problem; and West Bengal and the advocates of a Punjabi Province are unlikely to keep silent about their respective claims. It seems probable therefore that the process, once begun, will have to continue.

15. Whatever happens, it would appear certain that the reorganisation of Provinces on linguistic lines is bound to increase provincial solidarity and in time foster the development of inter-provincial jealousies and antagonisms. There has always been a strong fissiparous tendency inherent in Hindu culture and an inclination to emphasise and perpetuate differences between local groups, the proposed measures seem calculated to encourage these tendencies and ultimately to weaken the Centre *vis-à-vis* the Provinces. There have indeed already been instances of Provinces disputing the authority of the Centre (notably over the question of mineral rights in the Bihar Abolition of Zemindari Bill). Time and again in Indian history, following a period when the country has been comparatively united under a strong Central authority, the weakening of that authority has been rapidly followed by the disintegration of the country into a number of smaller unions; it may well be that the foundations for an eventual repetition of this process of Balkanisation are now being laid.

16. I am sending a copy of this despatch, for the preparation of which I am indebted

to Mr. Willan, to the High Commissioner for the United Kingdom in Pakistan.

I have, &c.

TERENCE SHONE.

Enclosure in No. 13

Press Information Bureau: Government of India

(Not to be published or broadcast before 6 a.m. on 17th June, 1948)

PRESS COMMUNIQUÉ

Commission on Linguistic Provinces

The Secretariat of the Constituent Assembly of India has issued the following press communiqué:—

The question of the formation of certain new Provinces has been engaging public attention for some time. The Drafting Committee appointed by the Constituent Assembly of India recommended that a Commission should be appointed to enquire into and work out all relevant matters in connexion with the formation of such Provinces with instructions to submit their report in time to enable the new States, whose formation such Commission may recommend to be created under Section 290 of the Government of India Act, 1935, as adapted, to be mentioned thereafter in the First Schedule to the Draft Constitution before the Constitution is finally adopted.

2. The President of the Constituent Assembly has accordingly been pleased to appoint the following Commission to examine and report on the formation of new Provinces of Andhra, Karnataka, Kerala and Maharashtra and on the administrative, financial and other consequences of the creation of such new Provinces. With the Commission will be associated the following Associate Members, who will share freely in the proceedings of the Commission in so far as they are concerned, but not take part in drafting or signing the report:—

Chairman

1. Shri S. K. Dar (retired Judge, Allahabad High Court).

Members

2. Dr. Panna Lall, C.S.I., C.I.F. (retired member of the Indian Civil Service).
3. Shri Jagat Narain Lal (Member, Constituent Assembly of India).

Secretary

4. Shri B. C. Banerjee (Accountant-General, Bihar).

Associate Members

<i>From Madras—</i>	<i>Linguistic Area Represented</i>
1. The Hon. Shri Ramakrishna Raju (President, Madras Legislative Council) ...	Andhra
2. Shri T. A. Ramalingam Chettiar (Member, Constituent Assembly of India) ...	Tamilnad
3. Shri Narayana Menon of Palghat (Member, Madras Legislative Council) ...	Kerala
4. Shri Tokuri Subramanyam of Bellary ...	Karnataka
<i>From Bombay—</i>	
1. Shri K. M. Munshi (Member, Constituent Assembly of India) ...	Gujarat
2. Shri R. R. Diwakar (Member, Constituent Assembly of India) ...	Karnataka
3. Shri H. V. Pataskar (Member, Constituent Assembly of India) ...	Maharashtra
<i>From the Central Provinces and Berar—</i>	
1. Shri T. L. Sheode (retired Judge, Nagpur High Court) ...	Maharashtra
2. Shri Gopilal Shrivastava (Advocate, Saugor) ...	Mahakoshal (Hindi-speaking areas)

3. The terms of reference to the Commission are as follows :—

- (1) What new Provinces, if any, from among those specified in paragraph 2 above should be created and what broadly should be their boundaries, it being understood that the precise demarcation of the boundaries would be considered later by a Boundary Commission?
- (2) What should be the administrative, economic, financial and other consequences in each Province to be so created?
- (3) What would be the administrative, economic, financial and other consequences in the adjoining territories of India?

*Constituent Assembly of India,
New Delhi,
16th June, 1948.*

*C.R.O. ref.: Pol 9816/48
F.O. ref.: F 11837/76/85*

No. 14

INDIA'S FUTURE RELATIONSHIP WITH THE UNITED KINGDOM AND THE COMMONWEALTH

*Sir T. Shone to Mr. Noel-Baker. (Received in Commonwealth Relations Office
12th August, 1948)*

(No. 115) *New Delhi,*
Sir, *30th July, 1948.*

The Senior Trade Commissioner recently sent a memorandum to the Board of Trade containing a list of matters in which departments of the Government of India, for whatever reason, have given us the impression that they are lacking in regard and sympathy for British commercial interests and the interests of individual United Kingdom subjects earning a livelihood in India. The list is an impressive one; and Mr. Owen's memorandum,⁽¹⁾ a copy of which is enclosed, was fully discussed with me and senior members of my staff, before it was despatched with our general concurrence.

2. On the political side we are confronted with a picture which, on the surface at least, is somewhat similar. The United Kingdom is still frequently taunted in the press and from public platforms—indeed, in so far as the newspapers at least are concerned, few days pass without some bitter, slighting reference to imperialism, power politics, racial discrimination and so forth, often aimed directly or indirectly at the United Kingdom or the Commonwealth. Even Ministers, not excluding the Prime Minister and the Deputy Prime Minister, still gibe, on occasion, at past British activities in India; and there is a widespread tendency amongst lesser men and again more particularly in the press, to put

(¹) Not printed.

an evil construction on British activities and policies. On the other hand, His Majesty's Government won a meed of praise for hastening the grant of independence to India, even though it was accompanied by partition; and the acclamations and tributes accorded to Lord and Lady Mountbatten on 15th August, 1947, during their many visits to various parts of the country and not least on their departure, were something unprecedented in the history of Indo-United Kingdom relations (my despatch No. 100 of 24th June). Moreover, from time to time statements and articles appear which are sympathetic and show understanding of the United Kingdom's difficulties.

3. I recollect that in one of the first despatches which I sent from this post I expressed the astonishment of a newcomer to India at the unbridled taunts, criticisms, innuendos and misrepresentations levelled against the United Kingdom. While there has certainly been improvement in this respect it may seem, at first sight, surprising that there has not been more. On the other hand, members of my staff who have spent many years in India and others with less ripe experience of this incalculable country point to the present as representing an unthought-of improvement on the recent past. Nevertheless, by and large, the face which India displays in public towards the United Kingdom still leaves a good deal to be desired, particularly in a fellow-member of the Commonwealth.

4. Why should this be so when, as I think all of us who have spent the last year or so in India are convinced, there is an immense fund of goodwill towards "Britishers" and towards the United Kingdom—a fund which, in political stock at all events, has never been greater, at least in recent times? Why is it that this goodwill is, on the whole, but seldom expressed in public except on such occasions as Independence Day or the departure of Lord and Lady Mountbatten? Are these remarkable manifestations of friendship merely ephemeral or of a personal character; or are they symptoms of a real change of feeling? Why, when the United Kingdom's goodwill towards India can be seen—at all events by those who wish to observe it—at almost every turn, are there relatively so few reciprocal gestures on India's part? These are not easy questions to answer, at all events concisely; but they are surely questions of very real moment. It is difficult for goodwill to endure, unless it be reciprocal; and if goodwill towards

the United Kingdom is really present in India to the extent one believes it to be, may one not expect that it will one day break through the old crust of dislike and suspicion in greater degree and with lasting effect?

5. Before considering some of the deeper implications of the state of affairs which has led to Mr. Owen's memorandum to the Board of Trade and to this despatch, I will venture some observations on the questions put in the preceding paragraph. In the first place—the Indian nature being what it is—it must take time to overcome the heritage of dislike and suspicion on which leaders of the Congress and other political parties, as well as the organs under their control, have harped for so long past. Old sentiments and emotions, long played upon, fade but slowly; some pandering to extremists is only to be expected; and it is no doubt difficult to unlearn the ancient runes as well as convenient to have a whipping-boy. In the nature of things and maybe for some time to come, the United Kingdom seems likely to be cast for this rôle—partly from sheer force of habit, partly because of that so-called inferiority complex which is so apt to break forth in extravagance of word or gesture, and partly perhaps from an inverted sense of esteem, which may indeed be tinged with something like affection. The British are known to be both tolerant and patient; they have governed (or, if the Congress Party's thesis be accepted, misgoverned) India for long enough to become accustomed to Indian behaviour; they may indeed be presumed to understand Indian sensitivity and emotionalism better than do other people. And so, when Indians want to blame someone else, not only for past but also for present misfortunes, Great Britain must seem the natural target. Some of the shafts may be venomous; many may be unpleasant for the recipient; but after all, he is used to them and may be expected to take them, like most other things, with stolidity.

6. Secondly, independent India is feeling her oats; and her first reaction is to rid herself of anything that looks like the old halter of leading reins. The old trainer has gone; the old rider has been unseated, or has abandoned the saddle—whichever way one looks at it. The filly must be free to run under her own colours and with trainers and riders of her own choosing. But they, for their part, find her less manageable than they had expected; the course which lies ahead is difficult, not to

say perilous; and so—despite their determination to brook no interference from outside—they may tend to look discreetly for help and guidance from others and some may even cast wistful glances in the direction of those in whose control they had perforce to acquiesce for so long. But the time has not yet come—though perhaps it may—when they can afford openly to admit to the need of reliance on others, or to make a definite choice of partner.

7. When one turns from the general to the particular, in search of reasons why the attitude of India towards the United Kingdom is not more forthcoming, the long-standing feeling amongst Hindus, that Britishers tend to get on better with Muslims and are therefore largely inclined to prefer and favour the latter, appears as a potent factor (compare my conversation with the Premier of Bombay reported in my despatch No. 97 of 14th June). There is no doubt that recent statements by Mr. Winston Churchill and other members of the Conservative Party have given rise to much bitterness in India and the mere fact that Hyderabad is to be the subject of a debate in the House of Commons to-day is hotly resented. It may be that too much importance is attributed to such matters and that Indians fail to appreciate the extent to which they derive from party strife in the United Kingdom. But the possibility that Mr. Churchill may one day return to office and seek to change the policy of His Majesty's Government towards India is an ever present cause of doubt and concern to Indian minds. There are, too, frequent complaints that United Kingdom press correspondents here adopt an anti-Indian line in their despatches, for instance, on Hyderabad and Kashmir. In many of these cases, I fear that objectivity appears to the hypersensitive Indian as partiality. It is undeniable that while Indians feel they may freely indulge in complaints and even abuse of others, they are all too apt to resent even relatively mild criticism of themselves.

8. There is, I believe, an even deeper feeling with regard, more particularly, to Kashmir and Hyderabad. It is a complex feeling, deriving from the sense that these (and perhaps other) problems are legacies of the past for which His Majesty's Government ought to have found some solution before they transferred power to Indian hands, but which they in fact left in the lap of the Government of independent India. It is accompanied by

lurking suspicions that Great Britain, or at all events some "Britishers," are bent on meddling in these matters, to India's disadvantage. Then there is the belief, which still persists, that the United Kingdom failed to appreciate the force of India's case on Kashmir when she appealed to the Security Council. India undoubtedly thought that she had a cast-iron case, and there was little or no understanding of the difficult position in which His Majesty's Government were placed, by reason of the strained relations between the two new Dominions. This is obviously a factor which, for so long as it continues to exist, can only vitiate, in turn, the relations of India (and Pakistan) with the United Kingdom and which may also vitally affect the British Commonwealth issue. In this wider field, moreover, the shadow of racialism in South Africa throws a deepening cloud across the picture, as it appears to Indian eyes. The position of Indians in Colonial territories is also a cause of doubts and fears. The urge to secure "equality" in the fullest sense, coupled with the desire to play a leading rôle in Asian and indeed in world affairs, which displays itself particularly in support for "freedom movements" of whatever kind, leads to violent but sometimes thoughtless and unjust condemnation of anything that seems to savour of "imperialism" or "colonial exploitation." Lastly, in a list of factors which does not pretend to be complete, there is the oft-proclaimed intention to keep out of entanglement in any "power-bloc" and to pursue an independent line in foreign affairs. So long as this policy holds the field, it is hardly to be expected that in general, and apart from special occasions such as those mentioned above, public references to the United Kingdom (or the United States) will be conspicuous for warmth or sympathy. Indeed, it may be deemed necessary not only to refrain from stating in public some of the things that might be said in private but even to go, as it were, into reverse.

9. I am mainly concerned in this despatch with the psychological and political factors which seem to hamper the development of closer and more cordial relations between India and the United Kingdom. But there are, of course, economic factors as well, on which I will but touch briefly. There is, for example, the fear that E.R.P., Western Union and the search for hard currencies may result in depriving India of a large measure of

United Kingdom assistance in the way of capital goods. Public announcements by Ministers and industrialists have shown that her expectations in this respect have always been pitched high—indeed, it is not too much to say that she looks upon it as a duty on the part of the United Kingdom to provide her with the maximum possible. As Mr. Owen has pointed out in his memorandum to the Board of Trade, the extent to which the United Kingdom has been doing this is but little realised. The recent sterling balances agreement, however, seems on the whole to have been well received here and there is undoubtedly a better appreciation of the United Kingdom's difficulties than there was, at least on the part of Indians who have paid recent visits to the United Kingdom and seen the situation for themselves. On the other side, there is the inevitable tendency on the part of independent India to direct her exports to countries from which she considers she is likely to get the best returns, in one way or another. And in the background there is ever the urge to be free from economic tutelage or "bondage."

10. There is one other matter which it is appropriate to mention in this despatch, namely, the exchange of information between ourselves and the Indians. This, again, is rather a one-way traffic—which is no doubt inevitable to some extent. We provide the Government of India with much information on foreign affairs and matters of common interest and of concern to the Commonwealth; we are obviously in a position to give them far more in this field than they can give us; and even if, for reasons of security or doubts about the future, we are not disposed to place as much at their disposal as we do in the case of the old Dominions, we do what we properly can. But on their side I feel that we are not treated as we ought to be, though I do not know to what extent the Indian High Commissioner in London takes His Majesty's Government into confidence with regard to the views and intentions of the Government of India. I do know that it is a rare event, in Delhi, for myself or a member of my staff to be summoned by an Indian Minister or official, in order to impart information to us. We have to pursue them all the time in order to get it. And although many Indians will then speak to us frankly enough, we are not always successful, even as regards matters on which we might expect to be kept informed

if only, to put it on the crudest basis, because it would seem worth while, from the Indian point of view, to take us into their confidence. I do not wish to suggest that this is altogether intentional; I believe it is partly due to inexperience and to lack of time at the disposal of overworked officials; but I fear that it is also in no small measure the result of the complex factors which I have discussed above. It is, in any case, not a satisfactory state of affairs, inasmuch as it affords a further example of the lack of that full confidence and co-operation which it must presumably be our aim to secure amongst all the members of the Commonwealth.

11. This brings me to some of the deeper implications involved, though I must admit to considerable diffidence in embarking, however tentatively, on these seas of high policy where so many of the currents and depths are unfamiliar to me. There is, I think, no doubt that the minds of thoughtful Indians, and especially those with experience of Government and appreciation of world affairs, have been turning more and more towards finding some means whereby India can remain in, or at least closely linked with, the Commonwealth. Both Sir B. N. Rau and Sir B. L. Mitter have recently been active in this respect; and the article in the *Eastern Economist* of 23rd July, of which I have the honour to enclose a copy⁽¹⁾ in this despatch, is of rather special interest in this connexion. It is, so far as I know, one of the very few that have appeared in the Indian press, in favour of continued association with the Commonwealth. The earlier statements of Messrs. M. R. Jayakar and Jagdish Prasad and Dr. Ambedkar, advocating circumspection before breaking away from the Commonwealth, were the subject of critical, rather than sympathetic, comment in the newspapers.

12. The case for India remaining in the Commonwealth in thus being mooted more frequently, if but delicately and slowly, by Indians themselves. But the emphasis is all on the advantages which India may hope to derive from this continued association; there seems to be but little recognition that obligations are also entailed. When Sir B. N. Rau called on me recently, I had the opportunity of touching on this aspect of the matter. He at once remarked that there were no doubt many advantages which India naturally enjoyed as a member of the Commonwealth and which she therefore

(¹) Not printed.

took for granted; these were, he said, probably not duly appreciated by Indians, any more than the fact that membership of a club, as he put it, involved conforming to its rules and practice. I shall revert to this later on in this despatch, as it seems to me a point which may well have to be made to India at some stage or other, unless we are prepared to accept her merely as a member who will but seek advantages for herself, while behaving, in word and deed, more or less as she pleases.

13. In other words, to put it baldly, the question before us seems to be one of considering not merely where we are going, but in what company, and on what terms. I have no doubt that this question is under full examination in London with particular reference to the meeting of Commonwealth Ministers to be held there next October. I imagine that it is one on which the Governments of the older Dominions will have to be consulted; and the primary purpose of this despatch is to indicate some of the difficulties which seem, in present conditions, likely—in so far as India is concerned—to stand in the way of that confident and cordial relationship which is surely desirable between all the members of the Commonwealth.

14. Judging by all that one has heard and read here in the last few months, the prevalent idea amongst those who favour the maintenance of a link with the Commonwealth seems to be to find some way by which this may be achieved in the case of the "Sovereign Democratic Republic" (or "State" as Dr. Ambedkar would prefer), for which the draft Constitution provides. The case of Eire is often cited here as affording a possible precedent. Note will doubtless be taken of the statement by Mr. Costello, just reported in the press, that Eire has ceased formally to be a member of the Commonwealth, and defining Eire's constitutional position as a "sovereign independent State, associated with the British Commonwealth of Nations." According to the article in the *Eastern Economist*, the question of allegiance to The King is a crucial point. This may well be so; indeed we have, to my knowledge, had evidence of it from one official Indian source (Mr. V. P. Menon).

15. There are obvious and cogent reasons for keeping the connexion with the two new Dominions as close as possible. The *Eastern Economist* points to defence, as one; another, and by no means the least, is the hope that they may thereby be prevented

from falling under Soviet influence, with all its consequences. But we cannot burke the fact that the inclusion in the Commonwealth of independent India (and Pakistan) represents a new departure which is bound to entail modifications in conception and structure, and perhaps also in practice. Sir L. Graftey-Smith's despatch No. 17 of 14th January last (on the subject of Pakistan's appeal to the Commonwealth in connexion with the dispute between herself and India) contains, in a paragraph urging elasticity in our conception of Pakistan's association with the Commonwealth, the following passage which seems to me apt in this content:—

"It is important not to forget that neither India nor Pakistan is a Dominion in any sense in which we are accustomed to use the word. Their assimilation to the older Dominions is titular only, and they are only called Dominions as the result of what was, in effect, a political device. They do not think in the same way as the older Dominions, and methods of approach to the older Dominions are not necessarily suitable in their case."

The older Dominions, not having had similar disputes amongst themselves, have never, so far as I know, made any similar appeal for Commonwealth intervention. This, no doubt, has been mainly due to a basic similarity of race, political thought and general interests. But the stage has now been reached when hitherto dependent parts of the British Empire, peopled by different races with fundamentally different religions and ways of thought are being given the status of sister Dominions. In addition to India and Pakistan, Ceylon has already acquired such a status; Burma might have done so had she wished; and the time may not be far distant when other portions of the Empire, such as Malaya or parts of Africa, may attain to the same status. The whole character of the Commonwealth is thus altered, and the time has come to face the question, how best can the Commonwealth continue to function successfully as a family of mixed but equally independent peoples, coloured as well as white.

16. On the assumption that it is the desire at all events of His Majesty's Government in the United Kingdom that the Commonwealth should continue to evolve in this direction as a living and

growing organism, it surely follows that much elasticity in the framework will be necessary. As Sir Hubert Rance, then Governor of Burma, telegraphed to His Majesty's Government in June, 1947:—

“The time seems ripe for a new conception of association within the Commonwealth not necessarily owing allegiance to the Crown, especially for those countries which have no ties of blood, culture or religion.”

(This excerpt is quoted in the secret aide-mémoire on “India and the Commonwealth,” given to Mr. Gordon Walker by Lord Mountbatten in February last, on which Mr. Symon provided background and comment in his private and personal letter of 4th March to Sir Archibald Carter.)

17. It seems to me, however, that in seeking a measure of elasticity which will enable countries like India to remain in association with the Commonwealth, we ought not to lose sight of the consideration that such association may properly be held to entail, if not specific obligations, the recognition that the treatment by members of the Commonwealth of each other's interests and nationals is of a special character which is, or should be, different from that accorded to foreigners. I realise that it may not be easy—even if it be considered desirable—to bring this home to the Indians; but I cannot but feel that the attempt should be made, at an appropriate moment. This might perhaps occur when Pandit Nehru visits London.

18. According to my understanding, His Majesty's Government in the United Kingdom have left India free to choose whether or not to remain in the Commonwealth. To what extent this entitles India to indicate the terms on which she may elect to maintain some form of association with the Commonwealth, I do not know. And if her terms appear to the older members to be unsatisfactory or too vague, can they—or any one of them—say that she (or Pakistan) cannot enjoy membership or association, unless she will agree to behave in accordance with club practice?

19. If what I have written in the earlier part of this despatch is well-founded, it may prove impossible—at all events until some of the inhibitions and stumbling-blocks there mentioned have been overcome—and not least amongst them the acrimo-

monies which embitter the relations between the two new Dominions—to treat India and Pakistan in every respect on the same footing as the older Dominions. This brings to the fore the question whether there can, or ought to be, two or more categories of participants in the Commonwealth. We know from Mr. Symon's letter referred to above that in Mr. V. P. Menon's view at least, a division into categories would be objectionable to Indian opinion.

20. Here, it seems to me, the question of furnishing the Government of India with information, to which I have referred in paragraph 8 above, assumes considerable importance. Can we afford to treat India (and Pakistan) in this respect in the same way as the older Dominions? Can they be brought to understand that if we are so to treat them, it can only be on a basis of real goodwill, mutual confidence and reciprocity, with all due regard for secrecy and security? Failing that, there seems no alternative to telling them frankly that until they have, as it were, earned their passage as fellow-members of the Commonwealth, they cannot expect to derive the full benefits of Commonwealth membership, though we shall continue to afford them all the information and co-operation that we can. This would mean, to all intents and purposes, at least a temporary division into categories; but perhaps this is inevitable in all the circumstances, especially if India (or Pakistan) were to seek some form of vague association with the Commonwealth.

21. In this connexion, I should perhaps record that an official of the Ministry of External Affairs has been enquiring recently about annual reports by the heads of His Majesty's Missions abroad; and it seems clear that the Ministry have the feeling that they are being denied access to this and perhaps also to other material which they would wish to have and may indeed have received in the past. The Government of India may well raise this matter formally before long. If so, I would suggest that they might be informed that it is one which it would be appropriate to discuss with Pandit Nehru when he goes to London. Indeed, some such discussion may then be desirable, whether the Government of India raise this particular matter or not, as it is a facet of the general question of India's future relationship with the United Kingdom and the Commonwealth, on which

I have ventured to put forward some reflections in what I fear is a long but necessarily inconclusive despatch.

I have, &c.

TERENCE SHONE.

P.S.—I enclose, as appendix⁽¹⁾ to this despatch, an interesting leading article entitled "Commonwealth Problems," which appeared in the *Hindustan Times* of 2nd August.

(¹) Not printed

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No. 15

ANNIVERSARY OF INDIA'S INDEPENDENCE

Achievements and Failures of the Last Twelve Months

Mr. Symon to Mr. Noel-Baker. (Received in Commonwealth Relations Office 22nd September)

(No. 123)

New Delhi,

Sir,

4th September, 1948

I have the honour to address you on the subject of the first anniversary of India's independence on 15th August, 1948, and to take this opportunity of attempting a balance sheet of the achievements and failures of the last twelve months.

2. In marked contrast to the spontaneous and exuberant enthusiasm displayed on 15th August, 1947, Independence Day this year was a subdued and restrained occasion. The Government of India had made it clear that in view of the death of Mahatma Gandhi and the grave crises facing the Dominion, Independence Day should be treated not as an occasion for festive celebration but as a day of remembrance for the Father of the Nation and as an opportunity for heart searching and solemn dedication for the tasks ahead. As a result the anniversary was marked not by decorations, illuminations or crowds in holiday mood; but only by flag hoisting ceremonies, accompanied by military or police parades, and public speeches by political leaders. The pattern was the same everywhere subject only to minor local variations. In Delhi the day started with the members of the Dominion Cabinet paying a visit of homage to the site of Mahatma Gandhi's funeral pyre at Rajghat on the banks of the River Jumna half-way between Old and New Delhi. Shortly after, in the presence of members of the Diplomatic Corps, the Cabinet, Service Chiefs, Government officials and a crowd estimated at 200,000, Pandit Nehru hoisted the Dominion Flag on the ramparts of the Red

Fort at a simple but well arranged military parade. In an address to this gathering, a report of which forms Appendix 1⁽¹⁾ to this Despatch, Pandit Nehru exhorted his countryment to re-dedicate themselves to the ideals of truth and toleration taught by Mahatma Gandhi and to root out the communal virus from the nation. He concluded by asking his audience to go home and devote the day to self-examination.

3. The same underlying note of restraint characterised the many Independence Day messages given by Indian leaders; a selection⁽¹⁾ of these are enclosed with this despatch. Most of these messages, while not belittling the many solid achievements to be laid to the credit of the Dominion in the first year of its history, dwelt at length on the difficulties and dangers through which India has passed; contained an exhortation to the nation to throw off those weaknesses which threaten its integrity and progress to greatness; and called for unity in tackling the heavy tasks that lie ahead. In particular, stress was laid on the need for eliminating communalism, which had caused so much suffering in the past year and in fighting which Mahatma Gandhi died. The following striking note of realism was contained in Sardar Patel's broadcast to the nation which forms Appendix 2⁽¹⁾ to this Despatch—"Looking around one could see that there was terrible unrest in Asia. China had serious domestic trouble. Again conditions in Malaya, Indo-China and Burma were disturbing too. It was the endeavour of the Government of India to see that India was not reduced to such a state, and, to achieve this

(¹) Not printed.

purpose, it was essential to enforce strong measures and deny the people, for some time to come, a certain degree of personal freedom. If the undesirable elements were not put down with a firm hand immediately, they were sure to create the chaos which existed in some other Asian countries."

4. Apart from these messages, the anniversary was also marked by an exchange of messages with the heads of the Governments of various countries, Diplomatic Representatives of Foreign countries in India, and with other well-known international personalities. A selection of these messages is contained in Appendix 9⁽¹⁾ to this Despatch. Amongst them was one from Marshal Stalin, in which he sent, from the Soviet Government and himself, "congratulations and best wishes for the success of the Indian people." It is understood that this was much appreciated in Ministerial circles in Delhi as it was the first of its kind to have been received from the Marshal since India's independence.

5. The Indian Press also made a special effort to mark Independence Day and numerous anniversary supplements were published containing articles by eminent political leaders and writers reviewing the events of the past year. In general, Press comment followed the line of the nation's leaders. The occasion was regarded as one for stocktaking; no attempt was made to minimise either the trials and tribulations through which India had passed or the difficulties and tasks that lie ahead. It was, however, generally maintained that in spite of the odds against them, the first Government of free India had achieved a great deal under conditions of considerable difficulty and that the future must be faced with hope, dedication and faith. Perhaps typical of the general attitude is the following extract from the *Hindustan Times*:—

"The country's predominant mood at the end of the year is not one of failure and frustration but one of quiet confidence and strength. The mood does not derive from actual achievement. This is not to say that achievement there has not been in which to take legitimate pride. If nothing more had been realised than the great peaceful and democratic revolution that has unified the States with the rest of India, it would still have been an *annus mirabilis*. The great constructive projects like the Damodar Valley

Scheme, the Hirakud and Bhakra Dams, will, when they are ready, change the very face of India. The prevailing mood does borrow from these achievements but is not their outcome. Its main inspiration is the faith of the people in the men to whose hands has been consigned the destiny of the nation. Never was the need for such faith greater. In the immense task before them the leaders will need all the support that faith can produce."

6. A small section of the press, however, representing the parties of the Left, took a line far more critical not only of the Central and Provincial Governments but also of the nation's achievements. The Communists spoke of a year of disillusionment, starvation and repudiated pledges; while the Socialists talked of widespread misery following in the wake of Independence and of Civil Liberty being the first casualty of Freedom.

7. Any attempt to draw up an impartial balance sheet of the failures and achievements of this first year of India's independence is made difficult by the fact that many of the events which have seemed to those of us out here to loom so large may well prove, when viewed in the perspective of history, to have been but passing phases in a period of transition. One fact, however, which seems to require emphasis above all others is that the transfer of power on 15th August, 1947, constituted, with the exception perhaps of the Russian Revolution of 1918, the most important *internal* event in any country in the world during the present century. All that has occurred since then needs to be viewed in that context.

8. At first sight the debit list of the balance sheet appears overlong. Its main items are as follows:—

- (1) Though the post-partition disturbances of the autumn of 1947 were confined to a relatively small part of the sub-Continent they produced the greatest mass upheaval of population in modern times and consequently a refugee and rehabilitation problem of such dimensions as might well have overwhelmed the most experienced of Governments.
- (2) These disturbances naturally led to serious communal stresses inside the Indian Union which after a few

(¹) Not printed.

months culminated in the assassination of Mahatma Gandhi. Contrition, following on his death, caused some measure of improvement in the ensuing months but strong and uneasy suspicions still exist between the two major communities and to a lesser extent between Hindus and Sikhs.

- (3) The disturbances also had the most adverse effect on the relationships between the two Dominions. Time is a great healer but unfortunately no breathing space was permitted. The Kashmir issue, which seems like a prolongation on a different plane of the former controversies between the Congress and the Muslim League, soon intervened on the scene and has caused ever-worsening relationships, until the stage has now been reached when the armies of the two Dominions are facing each other in Kashmir in a state of undeclared war.
- (4) Indo-Hyderabad relations have also steadily worsened during the year and the point has now been reached when the prospects of a peaceful settlement seem very remote. If only India had set a slower pace at the outset she might well have achieved her objective without real trouble and perhaps even without rancour. The continuance of what now amounts to a running sore naturally affects communal relations inside the Indian Union and adds fuel to the fire of worsening inter-Dominion relations.
- (5) There have been other internal political liabilities, too. The Indian Communists, no doubt listening to external direction, have adopted a systematic policy of doing everything imaginable to embarrass the Central and Provincial Governments as well to cause as much dislocation as possible in the industrial field. This development, the communal tension and the stresses caused by the Kashmir and Hyderabad disputes have made it necessary for Governments to enact Public Security legislation resulting in considerable inroads on civil liberties. Again the internal unity of India is threatened by provincial antagonisms and the desire of many Congressmen to regroup existing

administrative boundaries on linguistic lines.

- (6) Owing to the almost complete pre-occupation of the Government with political issues; the frequently heavy political pressure put on it to follow doubtful economic policies; the heavy public expenditure caused by the Kashmir operations and the rehabilitation of refugees; and the general uncertainty of the future, the first year of India's independence has seen a grave deterioration in the economic situation. The effects of the Gandhian policy of decontrol are now recognised to have been disastrous and the country is in the grip of an inflationary trend which has for several months been steadily increasing in momentum. The Government are now having to face the reconstruction, under more difficult circumstances, of the machinery of controls abandoned so hastily a few months ago.
- (7) Industrial production also declined alarmingly in the latter months of 1947 and has not yet resumed an upward trend. The transport situation also shows no signs of any improvement and is now noticeably affecting the movement of goods from the ports to the interior, even at a time when the volume of imports has been subject to severe Governmental restrictions. Labour indiscipline, perhaps inevitable in the atmosphere of freshly won independence, has been accentuated by economic grievances and political opportunism, and the Government are criticised by industrialists for launching proposals for general profit-sharing at a time when industries are being asked or forced to shoulder greatly increased wage charges. As a result of all this the confidence of the industrial world and the investing public has declined steadily, and although the Industrial Policy Statement published by the Government in April sought to arrest the decline, later development, including uncertain speeches by Ministers, somewhat nullified its effects.
- (8) The year has also seen a marked deterioration in general administrative efficiency, apparent both in a

falling-off in the standards of the Public Services, the Railways, Telephones, Conservancy Services, &c., and also in the decreased tempo of the Governmental business. Partition and the departure of experienced civil officials and technicians are one cause of this, but others are political interference in daily administration, political jobbery and the economic difficulties of officials poorly paid in relation to rising costs of living.

9. Against such a long list of entries on the debit side, those on the credit side seem—though perhaps necessarily so—somewhat intangible and negative. The more important of these items are as follows :—

- (1) The most remarkable perhaps of the achievements of Pandit Nehru's Government is that they survived at all in face of the quite overwhelming difficulties with which they were confronted immediately after the transfer of power. Not only did they do this, but, taking into account the circumstances then prevailing, they succeeded in a remarkably short space of time in re-establishing law and order, as well as the machinery of Government, in those areas (particularly the East Punjab), where for a while they had virtually ceased to exist. Since then the Central Government have been called upon to deal with several recurring crises (some of them albeit of their own making) and have been also subject to unusual internal stresses; not least being the conflicting ideologies of Pandit Nehru and Sardar Patel. Despite this they have maintained in recent months a welcome outward unity and have displayed, generally speaking, a growing firmness and determination.
- (2) This was particularly noticeable in their recasting of the political map of nearly one-third of India. Sardar Patel's initial success in obtaining the accession of almost all the 600 States within the orbit of the Indian Union and then integrating the vast majority of them into composite unions, neighbouring provinces or centrally administered areas are striking achievements viewed in any context. The fact

that these changes were brought about in so short a time and with such comparatively little dislocation is a tribute not only to the Government of India's determination but to their statecraft also.

- (3) Though much remains to be done to rehabilitate the refugees received from Pakistan, the arrangements that were made for their reception and the plans already put into execution for their disposal and resettlement are no mean achievement for a new Government confronted with a refugee problem of such unprecedented size.
- (4) Again the action taken against the Communists both by the Central and Provincial Governments, though it has left a good deal to be desired both in decisiveness and co-ordination, has certainly had the effect of putting a break on subversive activities particularly in Southern India, where the Communists had one of their strongest footholds.
- (5) It is encouraging too that despite the intense communal feelings aroused by the disturbances of the autumn of 1947, Pandit Nehru and his Government have adhered to their ideal of making India a secular democratic state, open to peoples of all castes and creeds, even though their performance has in some respects so far fallen short of their ideal.
- (6) The Central and Provincial Governments are also pressing forward with schemes designed to better the lot of the industrial worker and the common man. Mention must also be made of the Central Government's projects for the harnessing of India's rivers which if pursued to a successful conclusion have immense potentialities for good. There has also been a determined effort to press on with the industrialisation of the country, even though private enterprise may be reluctant to take the risks involved. Plans are being pushed forward for Governmental participation in varying degrees in the production of steel, synthetic oil, heavy electric plant, dyestuffs, radar and radio signalling equipment; while an agreement has been signed with a United Kingdom firm for the manufacture of telecommunication equipment.

(7) In international affairs India, determined to make her voice heard in the Councils of the world, has been a strong champion of democracy and freedom as well as the under-dog. Finally, a most notable development is the growing sense of realism in Indian public life, singularly absent when the only kind of political activity known to its leaders was that of opposition to British rule.

10. In brief, the debit side of this balance sheet as well as the dangerous potentialities involved in several of its items outweighs at the present time the achievements that can be recorded to its credit. If, however, some of these debit potentialities can be resolved successfully and peacefully, history in the fullness of time may well record a quite contrary verdict. In the meanwhile the welfare of the common man which is perhaps the soundest yardstick of a country's retrogression or advance, can scarcely be said to have improved during the last twelve months even in areas where there have been no disturbances. For him, this period has brought rising prices, a scarcity of essentials and a falling off in the standard of those services and benefits which he has been accustomed to receive at the hands of the State.

11. No review of this kind would be complete without a passing reference to the effects of Indian Independence on the United Kingdom community and United Kingdom interests in India. British officials, both civil and military, have largely disappeared from the Indian scene in which they have for so long occupied so prominent a place; against this there has been little reduction in the size or confidence of the non-official and business community. Life, however, has not grown any simpler for them, particularly away from the big cities. In fact,

facilities for the European way of life are steadily diminishing and the effects of an expected and natural revulsion against things western are making themselves felt. For example, the widespread introduction of prohibition hits at one important and traditional amenity. On the other hand, relations between individual Indians and British subjects are probably better than they have ever been before, which is reflected in a growing friendliness by Indians towards the United Kingdom and what she stands for in the world.

12. As far as United Kingdom commercial and business interests are concerned, Indian independence has so far no serious adverse effects. There have, however, been a series of incidents which have given rise to some apprehension in United Kingdom commercial circles. The Government's industrial policy resolution of 6th April, for example, announced their intention to prescribe the terms on which "foreign" capital and enterprise would be permitted to operate, and the assurances sought for existing United Kingdom interests in this respect have not been completely satisfactory. The exact nature of the threat has, however, yet to emerge, and it remains to be seen how far the Indian Government will feel able to go, at a time of growing economic difficulties, in discouraging United Kingdom commercial circles, which have in the past been the mainstay of most aspects of Indian commerce and industry.

13. I am sending a copy of this Despatch to the United Kingdom High Commissioners at Karachi, Canberra, Ottawa, Wellington, Capetown and Colombo and to the United Kingdom representative in Dublin.

I have, &c.

A. C. B. SYMON,
(Acting High Commissioner).

(B) Monthly Appreciations of General Situation

C.R.O. ref.: POL 6765/48
F.O. ref.: F 3333/99/85

No. 16

INDIA**MONTHLY APPRECIATION OF GENERAL SITUATION**

By the United Kingdom High Commissioner, New Delhi

No. 1 for January 1948

(Received in Commonwealth Relations Office, 18th February)

A.—Political External**South-East Asia**

Constitutional developments in Burma and Ceylon were met with appreciation of the political wisdom displayed by Great Britain in her recent dealings with Asia, although the new Malayan Federation is thought to be a makeshift to preserve the relics of British imperialism. There is no evidence, however, that British military collaboration in South Asia would be welcome. The sale of H.M.S. *Achilles* to the Royal Indian Navy was regarded as the first step towards the building up of a strong Indian fleet, as an essential unit of a future regional defence organisation, under the U.N., comprising India, Pakistan, Nepal, Ceylon and Burma, with an outer defence zone stretching from Aden to Mozambique in the West to Singapore in the East. It is generally held that there will be no place in this area for the military bases of other Powers.

2. That all is not well with the forces of "progress" in Indonesia and Vietnam has been recognised by some independent papers, who have drawn attention to the corruption and incompetence of the two Republican Governments. The Indonesian truce, however, was regarded with almost unanimous suspicion, as also were the reports that the French had reached agreement with the Bao Dai, on the score that these moves might perpetuate "imperialism."

China

3. While there is no particular sympathy for the Communists, there is a persistent undercurrent of criticism of the ineptitude and reactionary nature of the Kuomintang. The anti-British riots in Canton attracted little comment or sympathy.

Portuguese Possessions and French Establishments

4. Public statements have emphasised that India will not regard herself as wholly free while any part of the sub-continent remains under foreign domination. The official attitude, however, is that the means used to evict the foreigner must be legitimate and peaceful, and it is perhaps significant that the Indians have recently indicated their readiness to exchange diplomatic representatives with Portugal. The French Government has proposed a five-year standstill agreement in regard to the "Establishments," at the end of which time their future would be decided by plebiscite. The Government of India has countered with a suggestion that there should be an immediate declaration that the people of French India were free to choose their own future and that "popular consultation," in a form not yet decided, should follow within a year. The French Embassy here regard this conciliatory attitude as dictated by a wish to gain French support in the Security Council over the Kashmir issue.

Big Power Politics

5. Indian opinion is in general suspicious of the Marshall Aid programme and the intentions underlying it; and even those who have praised the generous scale of the programme have expressed doubts whether aid can reach Europe in time, and whether inflation and material shortage in the United States will not defeat its objects.

6. Mr. Attlee's appeal for a philosophy neither communist nor capitalist was received with some sympathy in India, where desire to avoid alignment with either the Anglo-American or the Soviet bloc is strong.

7. Mr. Bevin's plan for a Western Union was most prominently displayed and widely

commented on. The majority of the press regarded with deep suspicion that part of the plan which called for the closest collaboration over Colonial territories; in this were seen "the lineaments of a new imperialist front."

B.—Political Internal

General

8. The beginning of the month saw the removal of an immediate danger of war between India and Pakistan by the reference of the Kashmir question to the Security Council. Feeling, however, remained extremely bitter and was exacerbated by the statements of political leaders and the general tone of the press. The main grievances of India were the continued assistance assumed to be given by the Pakistan authorities to the tribesmen in Kashmir, the hold up of military aircraft destined for India in Karachi, border incidents and finally the killing and loot of non-Muslims in Karachi and at Gujrat in the second week of the month. On her side India had given good grounds for resentment in Pakistan by her announced decision to withhold the cash balances of crores Rs.55, payable to Pakistan, pending a satisfactory settlement of the Kashmir dispute, despite the fact that the agreement on the payment of these balances had been reached with no such proviso.

9. In the middle of the month and with no warning, Gandhi commenced a fast for an unspecified period—until all communal bitterness had been dispelled and in particular until the communal situation in Delhi should be completely normal. Whatever the reasons underlying the fast, it was almost immediately successful in removing one item of contention between the two Dominions, *i.e.*, the payment of the cash balances to Pakistan; in counter-acting any possible repercussions in India to the Karachi and Gujrat incidents; in bringing the leaders of all parties in Delhi together in a sincere pledge to promote communal harmony and to make the capital a place in which Muslims could live without fear; and finally in bringing Nehru and Patel together after a period in which it seemed they were increasingly drifting apart into a position when they would soon be at loggerheads. Since the fast the position in Delhi has certainly improved and one feature of the communal harmony drive has been the attention paid by Government to the task of removing the grievances of Hindu and Sikh refugees, which were all

too liable to flare up in manifestations of anti-Moslem activity. The one field in which the fast appeared to have no immediate results was in the Kashmir dispute. Increasing realisation that India was by no means winning her case and that world opinion seemed to be favourable to Pakistan, led to an increasingly intransigent attitude in all classes of Indian opinion and at the end of the month it appeared that India was not likely to make any concessions from the stand she had taken up.

10. Two days after the breaking of Gandhi's fast an unsuccessful bomb attempt was made on his life by a Punjabi refugee, which the public at any rate did not take very seriously. Gandhi, himself, refused to accept adequate police protection, and, but for the police investigations going on, the matter seemed to be forgotten. All too soon the seriousness of the incident was proved by the tragic assassination of the Mahatma on the evening of 30th January by a Maharashtra Brahmin.

Political Parties

11. The most significant event in Congress circles was the change of Ministry in Bengal in the third week of the month when Dr. P. C. Ghosh resigned and was replaced by Dr. B. C. Roy, as a result of internal differences within the party. The new Ministry stands probably a bit more to the Right than its predecessor.

12. The national executive of the Socialist Party, meeting in Bombay, passed a significant resolution that the future relationship of the party with the Congress should be decided by the annual party Convention on 21st–22nd February without any directive from the executive. Shortly afterwards the Socialist leader, Jai Prakash Narain, issued a statement making it clear that he deemed it futile for the Socialists to continue longer within the Congress, and that it was better to go out and create a real Socialist Party. During the month Sardar Patel in various speeches spared no pains in condemning the Socialists for their negative attitude to the country's urgent problems and seventeen Socialist members were expelled from the Congress Party in Bombay for standing for the Municipal Elections in opposition to Congress nominees.

Labour Situation

13. The differences between the Congress and the Socialists were further apparent in the labour field. On the one hand Sardar Patel during his tours of Bengal and

Bombay called for strict abidance by the Industrial Truce and said that the country must produce or go under. This attitude was underlined by the Congress Working Committee, which concluded its 3-day Session in Delhi with a resolution condemning strikes as a threat to the programme of economic reconstruction. The reaction of the Socialists was to point out that the Industrial Truce was a two-way agreement and that employers had obligations under it too. Increased production could only be forthcoming by increased good treatment of the producers. Actual labour disputes during the month included a one-day token general strike in Calcutta, which was a failure; a strike of engineering workers in the Bombay Fort Trust, which continued at the end of the month; a strike in the Tata Collieries and in textile mills at Coimbatore and Cawnpore, as well as a transport strike in Madura. There are indications that the Government is seriously apprehensive of the fall in production.

Kashmir

14. Indian apprehension of large-scale attacks by tribesmen, which she would not be able to hold, was proved groundless and the position generally remained static during the month. By the end of January it appeared that the tribesmen were concentrating on efforts to cut the main supply line along the Pathankot-Jammu road with an initial lack of success.

15. Earlier reports that the people of Gilgit and the neighbouring feudatories of Hunza and Nagir had declared for Pakistan have now been authenticated.

16. The Maharaja's opposition to the appointment of Sheikh Abdullah as the *de jure* head of the Interim Government was overcome, and on Sheikh Abdullah's return from Lake Success it is understood that he is to be Prime Minister of a new Cabinet.

Hyderabad

17. Despite the Standstill Agreement and the exchange of Agents, Indo-Hyderabad relations showed a marked deterioration. In particular, Hyderabad's agreement to transfer to Pakistan 20 crores worth of Indian securities led the Government of India to accuse Hyderabad of a breach of the Agreement. Inside the State, Congress activity increased against the State Government and border incidents occurred, principally on the Madras side. Mr. K. M. Munshi, India's Agent-General

to Hyderabad, made a tour of the border areas, and at the end of the month conversations took place in Delhi between India and the State on the various charges and counter-charges with regard to these incidents and breaches of the Standstill Agreement in the financial sphere. There were indications that India would adopt a stronger policy towards Hyderabad.

Indian States

18. Following on the merger of the Orissa and Chhatisgarh States into Indian Provinces last month, the States Ministry's future policy began to take clearer shape in other areas. It was reported during the month that the Deccan States would shortly merge into Bombay Province, that the states of Bundelkhand were considering a merger in either the Central Provinces or the U.P., failing a union of all the states into a United State or Province. A similar proposal was reported for the merger of Indore and smaller neighbouring Central India States into a state or province of Malwa. The most startling development, however, was the agreement by the Rulers and Talukdars of the Kathiawar States to merge their 300 odd estates and states into a single new United State of Kathiawar to come into existence in April.

19. Pressure on all States (particularly on the bigger ones who are likely to be unaffected by these merger schemes) to introduce full responsible government has been continuous, and during the month the Rulers of Indore, Gwalior, Bhavnagar and Baroda reached agreements with their respective States' Congress Parties on the setting up of popular Governments.

C.—Economic

20. The Government of India, through the Textile Commissioner, announced its intention to decontrol firstly the price of both imported and domestically produced cloth and yarn, secondly, the distribution of imported cloth, and thirdly, the distribution of Indian production within Provinces and States. Movement of cloth from Province to Province is to be regulated. The administrative measures necessary to put decontrol into effect have not yet been taken.

21. In order to conserve supplies of raw cotton, export to all countries, including Pakistan, of all staples which could be spun by Indian mills was banned. The export duty was doubled on the few short staple varieties still allowed for export.

As an immediate retaliatory measure, Pakistan doubled her export duties on raw cotton, regulating export to any country, including India, and freezing all stocks, other than retail, of cotton textiles. The door is, however, left open for future discussions with Government of India representatives.

22. Policy and administration in respect of the exports of raw jute remain in a confused and unsatisfactory position.

23. In the Legislative Assembly the Banking Bill and the Bill to amend the Insurance Act were both dropped: the former ostensibly because of the large number of amendments proposed by the Select Committee, the latter because of the impact of partition and the resulting business confusion. Individual private members' motions for the nationalisation of the Reserve Bank and of Insurance have been successful in the ballot.

24. The report of the Economic Programme Committee of the All-India Congress Committee was published. The

Prime Minister himself presided over the Committee, whose report will come up for discussion at the next meeting of the A.I.C.C.

The objectives of the programme are the raising of the standard of living, full employment, equitable distribution of work, wide diffusion of opportunities for occupation and balance between rural and urban economy. The Committee recommended a co-operative basis for industry and regional self-sufficiency, public ownership of new undertakings in defence, key and public utility industries, transfer of existing undertakings from private to public ownership after a period of five years, and the termination of the existing system of managing agency. The report has been adversely criticised at a meeting of industrialists in Bombay on 30th January.

New Delhi,
14th February, 1948.

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F.O. ref: F4231/99/85

No. 17

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, New Delhi

No. 2 for February 1948

(Received in Commonwealth Relations Office 17th March)

(No. 49)

A.—Political External

External Affairs

India's failure to obtain at the Security Council the support she felt entitled to expect over Kashmir, has led to a general stock-taking of India's foreign policy. This has been stimulated by the publication of India's draft constitution and consequent speculation over the question of whether India will remain in the British Commonwealth. Whatever the conclusions reached on the latter point there is an almost unanimous verdict in favour of neutrality as far as the big Powers are concerned, and it is noticeable that none question the compatibility of neutrality

with membership of the British Commonwealth. Lord Bruce's proposal for a standing Commonwealth Consultative Council was generally regarded as reactionary.

Great Britain

2. Britain's economic difficulties have been reported extensively and sympathetically. In the main there is appreciation of the efforts Britain's people are making and confidence that her difficulties will eventually be overcome. Meanwhile, Britain's seeming military and naval weakness is viewed with misgiving.

U.S.S.R.

3. The Soviet failure to send a message to India on the death of Mahatma Gandhi

created a most unfortunate impression, which M. Novikov's statement that he had at once conveyed his Government's condolences did little to remove, particularly as officials knew it to be quite untrue. The clumsy efforts of Russia and her satellites to make political capital out of India's loss, by trying to foist the blame for the murder on to British "imperialists" merely caused resentment, and suggestions which have since appeared in the Moscow press that Gandhi's policy of non-violence was mistaken and only partially successful in eliminating imperialism from India, have not improved matters.

International Youth Conference

4. Communist efforts to dominate the International Youth Conference, held in Calcutta in the second half of February, caused the indignant withdrawal from it of the majority of the Indian Youth Organisations.

Middle East

5. During the crisis over the Anglo-Iraq Treaty, India showed considerable sympathy for Great Britain's aspirations in the Middle East as being the only safeguard against Russian or American imperialism, both of which, in Persia and in Palestine, are held in equal distrust. The line adopted by Britain over Kashmir has since given rise to fears that in the oil politics of the Middle East Britain and the United States are one. In this context Britain's readiness to leave Palestine in chaos is incomprehensible to Indians unless Britain's object is to force the United States to adopt a more realistic and responsible policy.

Burma

6. Concern has been expressed about the deteriorating position of Indians in Burma. Official representations have been made by the Government of India in regard to the effect which recent Burmese legislation affecting land holdings is having on the interests of Indian land-owners. The Burmese Ambassador has issued a curt statement rejecting extravagant claims which have been made in India in regard to the past contribution made to Burmese economy by Indian land-owners in Burma.

Ceylon

7. Indian commentators on Ceylon's achievement of independence are agreed that whatever temporary arrangements

with Great Britain may have been necessary, Ceylon's future, at least in the strategic field, lies in close association with India.

Portuguese Possessions in India

8. For want of public support in Goa, the statute proposed by the Portuguese Government for the future political status of Goa has, it is understood, been referred to Lisbon for reconsideration. Meanwhile large shipments of food are being sent to Goa by the Portuguese Government, possibly with an eye to the plebiscite which events may eventually force the Portuguese Government to accept.

B.—Political Internal

General

9. For the last three months the main stress of Indian political life and thought had been directed towards relations with Pakistan and the Kashmir question. This month the assassination of Gandhi served to deflect all attention from these elements and the events of this month either arise directly out of the assassination or are to a large extent coloured by the sentiment aroused by it.

10. The immediate effect of the assassination was the outbreak of disturbances directed against the Mahasabha and the R.S.S.S. which in the Bombay Presidency and in particular in the Deccan States reached very considerable proportions. The Government of India immediately passed a resolution laying down that there was no room in India for any organisation preaching violence or communal hatred and followed up the resolution by widespread arrests all over India of members of the Mahasabha and the R.S.S.S. and by banning the latter as an unlawful body. Similar action was taken in all the Provinces and indeed, although the main body of arrests was complete by the middle of the month, there are still daily reports of further members of the two bodies being apprehended. In order partly to show impartiality in its general disapprobation of private armies run on a communal basis, the Government also declared the Muslim League National Guard and Khaksars to be unlawful organisations. In Madras and Bombay the action taken was considerably more comprehensive: Communist volunteer corps were covered by the ban and in the latter Province the Scheduled Castes

Volunteer Organisation was also forbidden. Even the States did not escape the Government of India's drive and the administrations of Alwar and Bharatpur where there were serious anti-Muslim disturbances last summer were taken over by the Government of India.

11. Most vociferous of all against communalism were the Socialists who endeavoured to use Gandhi's death as a stick with which to beat the Government. They attributed the blame directly to the Government of India and in particular to the Home Minister Sardar Patel, while other Ministers of reputedly communal outlook were called upon to resign. The Socialist leader Jai Prakash Narain declared that his party were prepared to take up any responsibility for dealing with the crisis and to crush communal organisations and he also referred to the reputed split between Nehru and Patel over the communal issue. Little public support was, however, forthcoming for the Socialists who were looked upon as endeavouring to cash in on the national tragedy for party ends and seeing that they had overplayed their hand they quickly drew in their horns for the time being. The Communists on the other hand have continued their abuse of the Government for its failure to prevent the assassination and for its half-hearted attempts to crush communalism.

12. Although the Hindu Mahasabha was not banned it resolved to cease to function as a political party and to confine itself to social and cultural activities. Similar action by the Muslim League was taken in the U.P. where its Parliamentary Party decided to dissolve itself with effect from 1st March.

13. With regard to the Sikhs it became apparent that the Government of India did not feel strong enough to attempt overt action against them, the excuse given being that, since they existed mostly in the East Punjab, the question was a provincial one. However, it appeared in the course of the month from the appeals directed to the Sikhs to abandon their narrow communal outlook and from negotiations between the more reasonable members of the community and the Government, that the policy is to attempt to absorb the Sikhs by kindness into the Congress organisation. There are few signs of such leaders as Master Tara Singh falling in with this policy. They have insisted on the recognition of the Sikhs as an individual entity and on the

retention of Sikh private armies, which they have pointed out are not used for communal ends but for the ultimate protection of India as a whole.

14. By the last week of the month the atmosphere had more or less returned to normal and attention turned to the new Constitution for the Dominion and the future of the Congress Party. The A.I.C.C. met in Delhi on 21st and 22nd February and passed a resolution to cover the future constitution of the Congress (elsewhere reported), the most significant clause of which debarred elected members from adherence to any other political party. This has been regarded as a direct invitation to the Socialists to conform entirely with Congress policies or to get out. Indications go to show that the Socialists now feel they must sever their connection with the Congress.

15. After all this the Kashmir issue is once more emerging to the fore with no signs of any softening in the Indian attitude and interest will probably once more be focussed on this question with the return of the Indian Delegation to Lake Success.

Kashmir

16. Apart from a heavy engagement at Naushahra on 6th and 7th February when the tribesmen suffered considerable losses, there has been little outstanding military activity on the Kashmir front. Indian casualties up to 8th February were stated in the Assembly to be 300 killed, 568 wounded and 82 missing. With the approach of Spring there are signs that the Indian Military authorities view the situation with some confidence now that their apprehensions of serious losses during the winter have proved groundless.

Junagadh Plebiscite

17. The results of the referendum in the six minor Kathiawar States apart from Junagadh were announced in the middle of the month and showed 31,395 votes for India and only 39 for Pakistan. The results in Junagadh itself were announced on the 25th February and showed 190,779 votes for India and 91 for Pakistan. 95 per cent. of the electorate voted in this referendum.

Linguistic Provinces

18. Earlier Congress promises to reorganise the geographical structure of India on a linguistic basis are coming home to roost. During the month demands for the

setting up of separate Andhra, Tamilnad, Kerala and KarnatK Provinces in South India have been made, and the movement for a separate province of Maharashtra (Mahratti speaking) has been vocal. While stating that the Congress policy in this regard is in no way changed, political leaders have endeavoured to damp down linguistic demands, since it is realised that the formation of such provinces will give rise to conflicting territorial claims which can do much harm to the essential unity of India at this present early stage.

Hyderabad

19. Despite friendly talks between the Prime Minister of Hyderabad and the Government of India, relations between the parties continued to deteriorate as a result of internal unrest in the State and alleged border incidents. The end of the month saw further talks in Delhi, at which Sir Walter Monckton, the Nizam's Constitutional Adviser was present and which are considered to be a final attempt by both sides to get the Standstill Agreement to work.

Indian States

20. The general movement towards the merger of Indian States into larger units gained momentum. The United State of Kathiawar, to be known as Saurashtra was inaugurated by Sardar Patel himself on 15th February. The Rulers of all the Deccan States, except for Kolhapur, signed covenants of merger with Bombay Province, which had already taken over the administration of several of the smaller States following the breakdown of law and order in the post-Gandhi-assassination upheavals, and the merger of these States comes into effect of 1st March. The next union contemplated is a United State of Malwa to include the smaller States of Central India, together with Indore and Gwalior and considerable progress towards the scheme has been made in the month.

21. Two small States, Loharu and Banganapalle with Muslim rulers signed voluntary merger agreements the first with the East Punjab and the second with Madras.

C.—Economic

Jute

22. Destinalional quotas for jute for the second half of the 1947-48 jute year which expires at the end of June were announced after some considerable delay. The first

half of the jute year closed with arrears of 9,000 tons to be made up. To complete the full quota due for delivery before the end of June, the United Kingdom required a total of 50,000 tons plus a backlog of 9,000 tons. The allotment actually announced at the begininng of the month was 19,000 tons only.

23. The latest voice raised in criticism of the Government's recently introduced Jute Goods Export Quota System is that of the first Indian Chairman of the Indian Jute Mills Association, Mr. M. P. Birla. Opposition to the policy is gathering momentum in commercial circles and determined efforts to induce the Government to abolish or modify it are likely to continue.

24. The Government of India regard it as economically and politically desirable that a large number of Indian firms should share in the handling of India's chief export, and from their point of view they would like to see the U.K. Jute Control place contracts with all firms holding Indian export licences. No attempt has been made in India exactly to match with Indian export licences the contracts of the U.K. jute control.

25. Meanwhile exports of jute goods are declining and U.S. and Swedish Government representatives are known to view the situation with grave concern. The earning of foreign exchange seems to be subsidiary in importance to the attempt to force trade into entirely new and inexperienced Indian hands.

Trade with Japan

26. The Government has permitted the resumption of private trade with Japan and announced a list of goods which can be licensed for import from that country through trade channels. Licences are to be issued freely in some cases and subject to monetary ceilings in others. The items covered include ball and roller bearings, electric motors, machinery and machine tools. The trade is to be conducted on a sterling basis, exports being permitted only against advance payments or against confirmed irrevocable letters of credit.

Food

27. The Prime Minister of Madras has announced that famine conditions prevail in the province over an area of 50,000 square miles and hinted that unless immediate measures are taken to build up a food reserve, the Province might be faced with the same ordeal as faced Bengal some years

ago. The estimated total shortage of food grains in Madras is more than 2 million tons. The Central Government has undertaken to increase the Province's import quota from 200 to 400,000 tons. Although, officially the Government is pursuing a policy of decontrol, in actual fact monopoly procurement and compulsory levy continues.

28. In the rest of India crops are nearly everywhere, normal or good, and no obvious ill effects have yet resulted from the general de-control of food grains initiated at the beginning of the year.

Ports

29. A new committee to be called the West Coast Major Port Development Committee, under the Chairmanship of Mr. Kasturbhai Lalbhai is to report before the end of April 1948 whether deep sea ports are required (a) between Kathiawar and Cutch, (b) between Marmagoa and Cochin, and whether facilities at, and communications with, existing west coast ports are necessary.

Parliamentary Business

30. With little or no real opposition a considerable volume of legislation has gone through this month and has been disposed of according to Government wishes, being either passed or referred to Select Committees. The following measures are of some importance :—

- (1) The Minimum Wages Bill (which applies to both industrial and agricultural labour).

- (2) The Damodar Valley Corporation Bill.
- (3) The Industrial Finance Corporation Bill.
- (4) The Railway Budget.

Industrial Policy

31. After receiving a delegation of Indian Industrialists to discuss this subject the Prime Minister has sought to allay apprehension about the widespread early nationalisation of industries aroused by the report of the Congress Economic Programme Committee of which he was the Chairman. His speeches failed to answer many of the most searching questions directed against him and market reaction has been not more than cautiously optimistic. The Budget which was introduced towards the end of the month did not go far enough in the opinion of commercial interests to fulfil earlier promises of taxation relief and markets are still reported dull.

32. The Commerce Minister stated in the Assembly that provision for the regulation of foreign companies was to be considered in connexion with the proposed revision of Indian Company Law.

Finance

33. The announcement of the terms of the sterling balance agreement concluded between India and the United Kingdom has aroused a certain amount of criticism, but, on the whole, restrained criticism. Although India does not think she has got as much as she should have, informed commentators realise she has got as much as the United Kingdom can spare.

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F.O. ref. F 5784/99/85

No. 18

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, New Delhi

No. 3 for March 1948

(Received in Commonwealth Relations Office, 20th April)

(No. 60) *New Delhi,*
14th April, 1948

(A) Political External

French India

The French Ambassador put to the Government of India at the beginning of the month his Government's proposal for

a five-year Standstill Agreement with the Government of India in regard to French establishments in India, after which period the people in the establishments would be free to choose their own future. The Government of India were quick to indicate that they thought that a one-year interval should be sufficient, but M. Levi

insisted that his Government would not accept so drastic a curtailment of their proposal.

2. In the meanwhile, agitators in Chandernagore, led by the Communist Mr. Subbairha, forced the French Council of Administration in Chandernagore to ask for the accession of that settlement to the Indian Union. The Government of India declined to accept this request, insisting that their approach to the matter would be "in keeping with international and diplomatic Conventions."

Palestine

3. India was always opposed to the partition plan for Palestine. Its abandonment has, however, brought no credit to the United States Government, whose action is, as usual, ascribed to power politics. The prospect of the trusteeship proposal being made to work at this stage seems remote in Indian eyes. Britain's continued determination to clear out of Palestine by 15th May is viewed with sympathy.

India's Foreign Policy and Communist Activities

4. Faith in India's policy of neutrality as between Power blocs has been somewhat shaken by recent events. The Security Council's failure during February to appreciate India's viewpoint over Kashmir gave rise to a conviction that the policy of the Great Powers is based exclusively on "Power politics." Several "realists" outside the Government have argued that India in her weakness must play the same game and may, therefore, have to align herself with the only bloc which can supply her with her needs, viz., the Anglo-Americans. Doubts have, however, been expressed both by the Prime Minister and the Finance Minister as to the ability of the United States to continue to supply India with the capital goods she requires if the former reverts to semi-war-time economy.

5. Doubts, too, about the policy of neutrality arose as a result of the death of Dr. Masaryk, which brought home sharply the growing menace of Communism to all countries, India included. This was followed at the end of the month by the banning of the Communist Party in West Bengal and arrests of Communist leaders in most of the other important centres of India.

6. All this, however, has not yet produced any basic change in India's foreign policy. It is true that Pandit Nehru earlier in the month declared that India

objected to "what is opposed to the real democratic concept which includes economic as well as political democracy," and that he more recently hinted that the strike of Government servants in Calcutta (this is generally believed to have been encouraged by Communist agitators) might be associated with developments in the international field. Again, the Secretary of the Overseas Department of the All-India Congress Committee has also insisted that India will not be "a passive observer of rape on human rights and social justice by an individual nation or international group" and that she is "fully conscious of her obligations abroad." Apart from these straws in the wind there is no public evidence that the Government of India or the bulk of Indian opinion yet believe that a campaign against Communism in India involves a line-up with other anti-Communist Powers. Indeed, the Governor of West Bengal and the Minister of Works, Mines and Power in the Dominion Government have publicly advocated that India should remain neutral as between totalitarianism on the one hand and democracy, backed by capitalists and imperialists, on the other. Moreover, while critical references to Russia are always invariably cryptic, public criticism of the policies of the Western Powers, even by the Prime Minister, has been far from friendly in tone, much play being made with the usual bugbears of power politics, capitalism, imperialism, &c., with charges of "war hysteria" now introduced in connection with Mr. Truman's speech and the Treaty of Western Union.

(B) Political Internal

General

7. During the month there have been important developments in the political parties of India, which have affected the Socialists in their relations with the Congress, the Muslims, the Sikhs and, and as already mentioned, the Communists.

8. The Socialists. Against the background of the A.I.C.C. Resolution reported last month, which gave them the alternative either of dissolving themselves in the Congress or quitting it, the Socialists, at their Annual Convention at Nasik in the middle of March, passed the long-expected Resolution breaking away irrevocably from the Congress and calling on all their Party members to resign by 15th April from all bodies to which they had been elected on Congress tickets. The end of the month

saw reports of the exodus from the Congress of many office-bearers in all walks of political life in obedience to this Resolution. The Convention also discussed many different topics of current political interest, but throughout the proceedings, emphasis was laid on the fact that the two major evils now confronting the country are Communism and Communalism. The new Socialist Party also decided to set up a Socialist Trades Union organisation, to be known as the Indian Labour Congress and to be independent of the Indian National Trades Union Congress (controlled by the Congress Party), the All-India Trades Union Congress (controlled by the Communists) and the Indian Federation of Labour (controlled by the Radical Democrats).

9. *The Sikhs and the East Punjab Ministry.*—After several weeks of negotiation the Working Committee of the Shiromani Akali Dal announced on 19th March that the members of the Sikh Panthic Party in the Dominion Parliament and the East Punjab Assembly should be advised to join the Congress Party in these Legislatures. Tara Singh, the leader of the Anti-Congress group of Akalis, made it clear that he only agreed to this step in the interests of preserving Sikh unity. The Akali Dal will apparently continue in existence but its exact future functions remain to be decided. At the same time, the Sikhs are reported to have submitted their claims to the Minorities Advisory Committee of the Constituent Assembly asking for weightage in order to achieve equality with the Hindus in the East Punjab, or, failing this, a delimitation of the East Punjab boundary by lopping off the southern-most Hindu Jat districts so that the resulting Province becomes one of Punjabi-speaking people.

10. The immediate effect of this addition of new Sikh members to the Congress Party in the East Punjab Legislature was to bring to a head the long simmering dispute within the Provincial Congress Party itself. Thanks to the intervention of Sardar Baldev Singh (Dominion Defence Minister), who had been largely instrumental in persuading the Sikhs to join the Congress Party in the Legislatures, a crisis was averted and the new Sikh members were persuaded to give their support to the Prime Minister, Dr. Bhargava and not to the dissident Congress group led by Bhim Sen Sachar. It seems fairly certain that the Ministry will be expanded to include more Sikhs, and there is the possibility

that the latter will find it difficult to abstain from the temptation of exploiting internal Congress differences for their own ends.

11. *The Muslims.*—The Muslim position has shown signs of further disintegration. At the beginning of the month the Central Assembly Muslim League dissolved itself at a meeting when only 12 out of 27 members were present. The Indian Muslim League Council met at Madras on 10th March and was attended by only 30 out of 147 members. Many of the absentees are understood to have stayed away to show their disapproval of the continued existence of the League. The rump of the Council decided *first* to retain the existence of the League but with a constitution designed to divert its activities to cultural and education fields, and *second* to disband the Muslim National Congress. Since this meeting, the Muslim League Parliament Parties in the Assam, West Bengal and Orissa Provincial Assemblies have decided to dissolve themselves, while in Madras a number of members have withdrawn from the equivalent body and are to form a new Party on the lines of a similar movement previously reported in the United Provinces. The Central Council of the All-India Jamiat-ul-Ulema has recommended all Muslims to join the Congress.

Kashmir

12. From the international point of view the month first saw a growth of optimism in India that the reopening of the Kashmir dispute before the Security Council would show a greater understanding of India's case. This was followed by suppressed jubilation at the terms of the Chinese draft Resolution, which at the same time was represented as being a great step towards compromise by India. Pakistan's opposition to the Resolution and the realisation that other Powers in the Security Council, including the United States and Great Britain, would wish to amend the original Resolution to some extent to meet Pakistan's objections have, therefore, resulted in considerable disappointment on India's part. The Government of India have now made it quite clear to all foreign Missions in Delhi, especially those represented on the Security Council, that India cannot give any more ground, but that in the main she is prepared to accept the original Chinese Resolution.

13. In Kashmir itself the Maharajah announced the setting up of a popular

Government with Sheikh Abdulla as Premier. The latter has formed a Cabinet composed of four Muslims, two Hindus and a Sikh. The new Ministry has lost no time in proclaiming a "new era of democracy in Kashmir," has repealed the unpopular Arms Act with its pro-Dogra bias and has announced an amnesty of political prisoners as well as plans for a fair distribution of land. In the military field heavy rains hindered operations and broke lines of communication at the beginning of the month. Nevertheless, in the Naushahra sector in the extreme south of the State an important success was recorded in the recapture of Jhangar.

Hyderabad

14. The Indo-Hyderabad talks at the end of February proved infructuous and during the month the situation sadly deteriorated. The Indian Press were full of stories of atrocities committed by the Razackars, the private army of the Ittehad; while independent observers reported even worse excesses by the Communists in the border areas as well as a virtual economic boycott imposed from the Indian side, which is depriving the State of many of its much-needed supplies, including arms, ammunition, vehicles and medicines. The talks, which were due to be resumed at the end of the month, did not materialise and instead the Indian Government handed Hyderabad a note detailing alleged breaches of the Standstill Agreement, calling for a ban on the Ittehad and the Razackars and asking for a reply within a very few days. At present there seem few prospects of a peaceful and successful outcome of the present impasse.

Indian States

15. The States' Ministry's policy of integrating the Indian States by Unions and Mergers made considerable progress during the month. *First*, the Rajputana States of Dholpur, Alwar, Bharatpur and Karauli have been formed into the Union of Matsya on the model of the United State of Kathiawar. *Second*, nine minor Southern Rajputana States, including Kotah and Bundi, have formed a Union of Rajasthan. *Third*, over 30 Bundelkhand States and Rewa in Central India have formed a Union to be known as Vindhya Pradesh. *Fourth*, the small Punjab Hill States have agreed to hand over all their powers and authority to the Dominion Government and

be merged into a centrally administered area to be known as Himachal Pradesh under a Lieutenant-Governor. In addition to these extremely important developments, the small States of Pudukkottah and Kishengarh were merged with Madras and Ajmer-Merwara respectively.

16. Encouraged by all this Praja Mandals in various States, still unaffected by the Ministry of State's policy of integration, started violent agitation for the immediate merger of their States with neighbouring Provinces. This occurred in particular in several of the Punjab Plains States (*e.g.*, Faridkot), where the States Ministry were planning for an eventual union of these States. This led to Sardar Patel publicly telling these Praja Mandals to desist from such agitation and to allow the States Ministry to work out its programme in its own time. In the result, the States Ministry turned a blind eye to the States concerned taking strong and successful action to put down this agitation.

(C) Economic

Jute

17. The jute situation has not yet resolved itself to the satisfaction of the trade. The Commerce Minister has been criticised inside the Assembly and out. In response to a cut motion he described as an "absolute lie" the allegation that the jute trade had been diverted from Calcutta to Bombay. A communiqué issued later purported to prove that the vast majority of the trade was still in the hands of Calcutta firms, but two Bombay firms have already asked the Trade Commissioner there to help them find United Kingdom buyers for jute exports they have never before handled. The communiqué also expressed the expectation that jute goods control will not adversely affect the foreign exchange position, reaffirmed that Government intends to dilute the concentration of the export business now in the hands of a few shippers and declared that the Government had no intention of relaxing control so long as it felt its need in the interests of national economy.

18. Jute goods' quotas have now been announced for a further period of four months. The United Kingdom will receive 40,600 tons from 26th March to 25th June, increased by the amount represented by individual quotas cancelled on failure to produce letters of credit within the stipulated period. This will give the United

Kingdom 60,900 tons for the first six months of this year, compared with their requirements of more than 80,000 tons.

Indo-Pakistan Economic and Trade Relations

19. India has agreed to make available between now and 31st August to Pakistan 12 bales of cotton yarn against 20 bales of raw cotton from Pakistan, the exchange being subject to customs duties in both Dominions. In addition, India also agrees to allot 25,000 bales against cotton already received. The Commerce Minister has foreshadowed the opening of discussions in the near future between India and Pakistan regarding the conclusion of a general trade agreement between the two Dominions.

Industry and Industrial Policy

20. The Prime Minister launched at Vizagapatam on 14th March the S.S. *Jala Usha*, which is the first large steamer built entirely in India with Indian money. He took exception in his speech to Mr. Walchand Hirachand's use of the phrase "harmonious relations between the Government and Industry," saying there was no question of industry being a rival to the Government and pointing out that "if industry does not function the Government interferes and takes over."

21. The Minister of Industry and Supply has stated that if wagons are available over 2 million tons of coal could be moved to industrial areas, and that if the Transport Minister's prediction that railways had turned the corner were to come true, it would mean an increase of 25 per cent. in production, without taking into account new industrialisation schemes.

The Budget

22. A large part of the Dominion Parliament's time during the month was spent in discussing the Budget, which was introduced at the end of February. The Finance

Bill embodying its provisions has been passed after amendment by a Select Committee, including a reduction in excise duties and the conversion of the proposed export tax of Rupees 20 per ton on Manganese Ore to a tax of 25 per cent. *ad valorem*, which, on the present price, represents a reduction. The export tax on vegetable oil has also been reduced.

Import Control

23. Sweden, Switzerland, Belgium, Portugal and the Belgian and Portuguese Colonies have been defined as hard currency areas in addition to the dollar area. Commodities with certain exceptions, including those already listed as freely licensed for import from dollar areas, will be importable from the hard currency area subject to separate monetary ceilings.

Development

24. A Bill has been passed to provide for the development of the power alcohol industry with the intention eventually of effecting a saving of 25 per cent. of imported petrol by the admixture of power alcohol. India has enough molasses to produce 20 million gallons of power alcohol; the present capacity is, however, only about 16 million gallons and actual production less than that.

Other Legislation

25. Dominion Legislation continues unabated. The Railway (Transport of Goods) (Amendment) Act has extended, but with a restricted schedule, the existing system of railway priority control. A Bill has been introduced, modelled on corresponding British legislation, to provide for the control of atomic energy development and the disposal of the relevant raw materials. Bills have also been introduced for the levying of a State duty and of agricultural income tax to be distributed to the Provincial development.

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No. 19

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, New Delhi

(Received in Commonwealth Relations Office, 21st May)

(No. 71)

New Delhi,
15th May, 1948.

A.—Political External

India's Foreign Policy

During April Pandit Nehru made several important speeches on India's foreign policy. These, despite their contradictions, reveal when all is said and done no basic change in former policy. Early in the month he referred to the clouds of war hovering over the world and the fact that it would not be possible for India to remain in isolation if a world conflagration should break out. On the other hand, before this speech and again at the end of the month at the All-India Congress Committee meeting in Bombay, he expressed the "firm belief that there will be no third world war" and insisted on India remaining strictly neutral between the two power blocs towards both of which Pandit Nehru, at any rate, seems outwardly to nurture feelings of almost equal antipathy. In brief, the shocks administered by the events of March in the international field and the changed policy of the Indian Communists (probably inspired by Moscow) from one of co-operation with the Nehru Government to full-blooded opposition have not yet had any ostensible effects on India's outlook.

2. As a corollary to this, Indians are reluctant to accept the proposition that the world must necessarily be divided up into two and feel impelled to seek some way out of the present impasse. After maintaining that the result of two world wars had clearly shown that the old way of dealing with world problems through violence was not the path of peace, Pandit Nehru, in the course of his speech to the A.I.C.C. on 24th April, said that India's efforts must be directed towards bringing about an understanding between the U.S. and the U.S.S.R. He had received, he said, innumerable requests that India should do something to stop the rot, but, though he was prepared to go anywhere to help, the question arose of whether he could afford to leave India

in the present state of affairs in this country. The *Statesman*, with every justice, made the comment that if India and Pakistan would bend their chief efforts to removing war from their own borders (e.g., Kashmir and Hyderabad), they would reduce the risks of war in the world more effectively than by offering unsolicited advice to others.

French India

3. The Government of India countered the French proposal for a Stand-Still Agreement to be followed by a plebiscite in five years' time (*cf.* para. 1 of my March appreciation) with a proposal that elections to Assemblies in the Settlements should be held within three months, and that the representatives so elected should have full powers to decide the timing and terms of a referendum. They would, for instance, be free to propose an immediate plebiscite on the question of union with India or continuation of French sovereignty. Alternatively, they could decide to postpone the issue for five years or so. The French Ambassador has stated that he presented a generally favourable reply to the Indian Government's proposal on 13th April.

Burma

4. During the month a Delegation from Burma visited New Delhi to discuss the facilities for Indians already in Burma to leave and re-enter that country. They concluded a satisfactory tentative agreement with the Government of India.

Bhutan

5. A Delegation from Bhutan also visited Delhi during the month and asked the Government of India for the return of 800 square miles of territory which they alleged had been wrongfully taken from them by the British in 1865 in exchange for a cessation of the subvention of Rupees 2 lakhs which they were at present receiving from the Government of India. They also indicated that Bhutan would be ready to sign a new Treaty with the Government of India under which they

would undertake, as under the former British Treaty, to be guided in their foreign policy by them. The Government of India are consulting the Provinces affected by the suggested changes, and it is possible that minor territorial concessions may be made to the Bhutanese.

B.—Political Internal

Kashmir

6. The main event of the month was, of course, the Security Council's Resolution of 21st April. First reactions in India were entirely unfavourable, but when some honest effort was made to appreciate its implications, criticism became less violent though the mere fact that the Resolution demanded more concessions from India than the original Chinese Resolution was sufficient to make it generally unacceptable. Opposition, however, was certainly far less rabid than it was to the draft Resolution put before the Security Council in mid-February; perhaps because quite a large section of opinion is now getting so sick and tired of the whole issue.

7. In the military field the month saw no startling changes except for a slight turn of events in India's favour in the South-West of the State and around Poonch. Elsewhere, however, particularly in the Uri area the Azad forces continued to harass Indian troops. Compulsory military training is being introduced in all schools and colleges in Kashmir.

Hyderabad

8. India's pressure during the past few months to get the Nizam either to accede to the Indian Union or to grant responsible Government has inevitably led to increased intransigence in the State and to the extremist Ittehad element getting virtual control of the State administration. This has produced a tense and serious situation between India and Hyderabad. The month saw more border incidents; more Communist raids into the State from across the frontier; acts of Ittehad retaliation; open admission from the Indian side that arms, ammunition, and anything of a warlike character was not being permitted to be sent to the State; and in addition angry and unhelpful speeches from leaders on both sides. There were further talks in Delhi in mid-April, the upshot of which was a demand from India that the Nizam should curb the Ittehad and introduce Constitutional reforms forthwith. The Nizam replied by conceding only half or less of what India demanded. On present indica-

tions, it seems likely that if Hyderabad does not concede a good deal more, India by one means or another will see to it that she does. Indeed, Hyderabad is becoming almost as serious a problem as Kashmir.

India and the British Commonwealth

9. Though the session of the Constituent Assembly fixed for mid-May to discuss India's draft constitution has been postponed till July, more and more interest is being aroused in what India's decision on this crucial issue will be. On the one hand, there are those who want an early decision to sever all links with the Commonwealth and on the other there are those (possibly including Sardar Patel) who do not wish to disturb India's present status as a member of the Commonwealth, and are anxious to postpone this decision as long as possible. In addition to these two groups there are a fairly large number of persons (including probably Pandit Nehru) who apparently have not yet been able to make up their minds one way or the other. Jai Prakash Narain, the Socialist leader, has made the suggestion that any decision on this issue must be made by means of a plebiscite.

Inter-Dominion Relationships

10. An inter-Dominion Conference was held in Calcutta in mid-April for settling primarily the principal political and economic difficulties subsisting between East and West Bengal. It achieved seemingly excellent results. The main problems confronting the Conference in the political field were adequate protection for minorities and the stoppage of the present exodus of Hindus from East Pakistan, which so far amounts to about 1½ million. It was agreed that (1) Provincial and District Minority Boards would be established in East and West Bengal, (2) any propaganda for the amalgamation of Pakistan and India should be discouraged, (3) all tendencies towards an economic boycott of minorities should be curbed, and (4) the Press of both Dominions should be asked to exercise restraint.

11. On the economic side the main conclusions were (1) reduction of import and export duties and controls as far as possible, (2) improved methods for searching passengers and baggage at customs barriers, (3) improved transport facilities for goods moving between the two Dominions, and (4) improvement of postal, telegraphic and telephone facilities. It was also agreed that India would give Pakistan

the right to move raw jute (baled in Pakistan) in bond to Calcutta for overseas shipment. There is also information that India may allow Pakistan to assemble motor vehicles in bond in India.

12. In all these matters actual success will depend on the ability to translate these paper agreements into practice, and on the Government's concerned ensuring that petty officialdom carries out the orders passed.

13. There has also been a serious dispute between the East and West Punjab Governments for the supply of water to 1½ million acres of land in the West Punjab from two canals which have their head-works in the East Punjab. After the lapse of the Standstill Agreement on 31st March and in the absence of any new agreement to take its place, the East Punjab Government most precipitately shut off the supply of water. Negotiations between the two Governments during April failed to produce any new agreement, but pending discussions of the issue at inter-Dominion level, the supply of water was resumed on 30th April.

Communists

14. Following the ban on the Communist Party in West Bengal at the end of March, arrests of Communist leaders subsequently took place in every other Province. Owing to the failure of simultaneous action throughout the country a number of the most prominent leaders were able to go underground and still remain unarrested. This haphazard action gave some credence to the line taken by Pandit Nehru that these measures were directed against individual Communists who were planning industrial sabotage in various parts of the country and were not directed against communism or the Communist Party as such. During the month Communists in Madras both in Andhra and Malabar were responsible for disturbances which brought them into conflict with the police.

Developments in Indian Political Parties

15. *Congress and Socialists.*—The session of the A.I.C.C. at Bombay passed the new draft Congress Constitution, debated the party's economic programme and had a secret session on Hyderabad. It also decided that the Congress would only function within the Indian Union. There have been rifts in Congress circles in West Bengal which led to a demand for the reconstitution of the Ministry; there have

been similar rifts in Madras which led to the resignation of the Home Minister; and in the East Punjab the Prime Minister has still been unable to complete the proposed reshuffle of the Cabinet owing to Congress dissensions and apparent Sikh demands for increased representation. In the United Provinces, however, the Congress have gained a notable victory over the Socialists in the District Board elections thereby quietening the rumblings that had also been heard in that Province.

16. *The Muslims.*—The disintegration of the Muslim League has continued with corresponding signs of a re-orientation of the political activities of this community. The Muslim League Party in the Bombay Assembly has dissolved itself and formed a new Party called the "Fourth Party" open to members of all communities. The Bihar Muslim League Assembly Party has done the same thing. The Jamiat-ul-Ulema has decided to abandon its political activities.

17. *The Sikhs.*—Despite the Akali M.L.A.'s in the Dominion and East Punjab legislatures joining the Congress, the Akali Dal have decided not to liquidate this organisation but to perpetuate its independent existence so that it can give a lead to the Sikhs in religious and political matters. Master Tara Singh, the extremist leader, has been making a number of wild speeches and has referred once again to the inevitability of war between India and Pakistan.

18. *Proposed Third Party.*—Dr. Ambedkar, the Minister of Law in the Dominion Government, has stated that the Scheduled Castes would not acquire political power by joining the Congress and he himself had no intention of doing so. He called the Congress a burning house which he thought might be completely ruined in a couple of years. He advocated the Scheduled Castes forming a Third Party so that in case the Socialists and Congress did not command an absolute majority they would hold the balance of power.

Communal Situation

19. April on the whole was quiet except for serious arson and looting of Muslim property in Godhra (Bombay Province). Hindu property also suffered loss as a result of the arson. The Dominion Parliament passed a Resolution declaring that no communal organisation should be permitted to engage in political activities. It recommended legislative and administrative steps

to prevent such activities. Pandit Nehru gave his strong support to the Resolution.

Indian States

20. One further important landmark in the integration of the Indian States was reached with the formation of the United State of Gwalior, Indore and Malwa. This is the largest of all the recently created States Unions and is composed of twenty-two Central Indian States with a population of $7\frac{1}{2}$ million and an area of nearly 50,000 square miles. The Union of Rajasthan mentioned last month has been reconstituted by the addition of the premier Rajput State of Udaipur. The Rulers of Baroda and Bhopal also announced the grant of responsible Government in their States.

C.—Economic

Industrial Policy

21. The Government of India's resolution on industrial policy presented to the Dominion Parliament on 7th April divides industry into four categories :—

- (a) State monopolies—railways, posts and telegraphs, defence industries.
- (b) Industries where future development will be controlled and owned by the State—coal, iron and steel, aircraft manufacture, shipbuilding, manufacture of telegraph, telephone and wireless apparatus (excluding radio receivers), and mineral oils.

Existing undertakings in these industries will be generally allowed to develop freely for the next ten years.

- (c) Industries which will be subject to central regulation and control. *e.g.*, salt, automobiles, textiles, cement, sugar, paper, air and sea transport, minerals, &c.
- (d) The remaining industries will be left to private enterprise—subject to the general policy of the State.

22. The Resolution recognises the participation of foreign capital and enterprise in Indian industry as of value but foreshadows legislation to ensure that the major interest in ownership and effective control should always be in Indian hands.

23. The publication of the Resolution was followed by a general improvement in the tone of the stock markets though this began to disappear towards the end of the month.

Industrial interests have on the whole received it favourably to the extent that it has put an end to a long period of uncertainty but it has been generally criticised as giving too little encouragement to long-term development.

24. Only three weeks after the publication of this resolution the A.I.C.C. appointed a committee to supervise the implementation by the Government of the party programme. It will, therefore, be responsible for assuring that the Government does not stray too far from the path of industrial development laid down by the party and is bound to re-awaken the nervousness which the publication of the Government's industrial policy had done something to allay.

Food and Textiles (Operation of Controls)

25. The Food Minister has announced an estimated increase in indigenous production for the crop year of 900,000 tons over the preceding year. He also referred to improved prospects of external procurement. Current prices of rabi grains reflect an easier supply position than that obtaining at the corresponding period last year. They are considerably lower than last year's corresponding black market prices and nearer than they have been to the former official controlled rate.

26. The same cannot be said of cotton cloth the price of which since relaxation of control in January, has risen so steeply that the Government have had to discontinue price stamping lest fictitious stamped prices result in widespread tax evasion.

Labour

27. The Dominion Parliament has passed the Employees' State Insurance Act providing for sickness, maternity and injury benefits to be administered by an Employees' State Insurance Corporation. Representatives of employees, labour and Government have agreed to pay increased dearness allowance to plantation workers, a concession which will cost about Rs. 5 crores per annum.

Japanese Trade Mission

28. A Trade Mission from Japan representing cotton, jute, textiles, and other machinery interests and led by a S.C.A.P. official is visiting Calcutta, Bombay, Delhi and Ahmedabad in May to discuss trading and industrial matters.

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No. 20

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, New Delhi,
No. 5 for May 1948

(Received in Commonwealth Relations Office, 23rd June)

(No. 95)

New Delhi,
16th June, 1948.

A.—Political External

The publication of the Bedell-Smith-Molotov correspondence, and subsequently of Marshal Stalin's reply to Mr. Wallace's open letter, gave rise to fewer hopes in India than it seems to have done elsewhere of a *détente* between the Big Two. That talks of some kind were the only eventual alternative to an all too likely atomic war was universally emphasised, but it was feared that the almost inevitable failure of two-power talks on the basis revealed in the correspondence would merely lead to a further deterioration in the international situation, and that even if an agreement between the two Great Powers were reached it would probably be on the basis of dividing the world into two spheres of influence.

2. Press comment generally was about equally hostile to both sides and sharply critical of General Bedell-Smith's alleged ineptitude in affording such an opening for Soviet Propaganda.

Palestine

3. Britain's unlamented departure from Palestine, and the fighting which immediately ensued, afforded the Indian press a fresh opportunity to belabour British imperialism and Britain's past political blunders; the ineffectiveness of U.N.O. and the power and oil politics of the Great Powers generally, particularly as manifested in the over-hasty recognition of the State of Israel both by the United States and the U.S.S.R. Britain's stand at U.N.O. against the U.S. and Soviet combination gained her little credit, being merely described as proof of her vital material interests in the area. As between Jew and Arab the Indian press has been singularly impartial. The Government of India have been silently impartial too. On the one hand they have apparently asked their Ambassador in Egypt to explain a

public statement imputed to him by the press to the effect that India's sentiments were wholeheartedly with the Arabs; on the other hand it is understood that they have no present intention of recognising the State of Israel.

South Africa

4. Shortly before the South African elections, Dr. Rajendra Prasad, the Congress President, sent a message to Indians in South Africa urging them to unite in the face of the danger threatening them and to force such sanctions "that the Government of South Africa would be compelled in their own interests to grant Indians the basic rights of citizenship." In all the circumstances the reactions in India to the results of the elections have been surprisingly restrained. Hopes have been expressed that the Nationalist Party will be more moderate in office in regard to its segregationist policy than it was both in Opposition and during the election campaign. The Government of India in the meanwhile are adopting a policy of "wait and see."

5. There have, of course, been suggestions that India's position in the Commonwealth must be debated anxiously in view of the racial discrimination which the election results involved, but these have been modified by an awareness that the situation of Indians during Field-Marshal Smuts's Premiership was in any event far from satisfactory. There has also been a good deal of speculation as to South Africa's own future position in the Commonwealth.

French Possession

6. Final agreement has now been reached between the French and Indian Governments both over the principles and details of the settlement of the future of the French Possessions in India (*cf.*, paragraph 3 of my April appreciation) and this will be implemented after a formal

announcement has been made in the French Assembly. Chandernagore, which is a free city separate from the rest of French India, will arrange its own referendum after fresh elections to its Municipal Assembly have been held. The Central Assembly of the remaining four Settlements, to which fresh preliminary elections are also to be held, will arrange for referenda there too; but the fate of each Settlement will be decided individually by its respective peoples.

Soviet Cultural Propaganda

7. There have been several signs during the month of a Soviet Cultural Propaganda drive in India, especially in the realm of showing Soviet films.

B.—Political Internal

Kashmir

8. As expected, the Government of India decided that it was not possible for them to implement those parts of the Security Council resolution of 21st April to which their delegation at Lake Success had taken objection but at the same time they made it clear that they were prepared to confer with the Good Offices Commission. Subsequently, they refused to negotiate with the Secretary-General of U.N.O. regarding the appointment of a plebiscite administrator.

9. In Kashmir the Independence Celebrations to mark the introduction of responsible Government received wide publicity and were attended by Pandit Nehru and other Indian leaders. Although all the Diplomatic Corps were invited, only the Burmese Ambassador, the Indonesian representative and a Russian official attended; and independent sources state that the celebrations were less enthusiastic than was suggested in the Indian press. In the military field reports began arriving towards the end of the month of an Indian offensive on Domel (near the Western border) which appeared to be achieving some success.

Hyderabad

10. Tension over the Hyderabad issue, stimulated by inflammatory Press reports of border incidents, reached a new intensity during the first part of the month, and the Press and the Socialists united in clamouring for a stronger line against the State. The withdrawal by the State

authorities of the ban on the Communist Party also led to much speculation on the possibility of a Razakar-Communist *rapprochement*, and stories of Razakar atrocities multiplied. The climax was an attack on the Madras-Bombay Mail in Hyderabad territory by a mob which looted the train and caused casualties. Train services were suspended on this line for some days and were only resumed when arrangements had been made, with the acquiescence of the State authorities, for them to be escorted through the State by Indian Dominion troops.

11. In the meantime Lord Mountbatten with the permission of Pandit Nehru, attempted to solve the impasse by inviting the Nizam to India for discussions. The invitation was declined, but following on a visit of the Governor-General's Press Attaché to Hyderabad, the State Prime Minister, Mir Laik Ali, visited Delhi and held prolonged discussions with the Governor-General and Pandit Nehru at which apparently a measure of agreement was achieved on some points. Mir Laik Ali then went back to Hyderabad for consultations with the Nizam and when the month came to an end the return of the Hyderabad delegation was being awaited in a calmer atmosphere for what were generally hoped to be decisive negotiations.

India and the Commonwealth

12. Speculation naturally continues on the prospects of India's remaining within or leaving the Commonwealth. A public statement by two moderate leaders (Messrs. Jayakar and Jagdish Prasad) that India should remain in the Commonwealth received a critical Press, and following on Field-Marshal Smuts's speech at the time of Empire Day, the influential *Hindustan Times* in a hostile leader criticised the Commonwealth as "fast becoming a sentimental fiction devoid of any political significance or political utility." The Socialist Party Executive passed a resolution saying that the Party would support India's association with a real Commonwealth of Nations free of racial discriminations and economic exploitation but "cannot be a party to India's remaining a part of a political combination like the British Empire and Commonwealth, which still maintains racial superiority." As might be expected the opponents of continued Commonwealth association are more vocal than its supporters.

Inter-Dominion Relationships

13. Following on the important Calcutta Conference in mid-April (*cf.*, para. 10 of my April appreciation) several further agreements on a variety of subjects were reached during May at supplementary Conferences. These include the reduction of postal rates, exchange of essential commodities, recovery of abducted women and exchange of pensions; as well as an interim agreement on the Punjab Canals Dispute referred to in para. 13 of my April appreciation. On the other hand, no agreement could be reached at a Conference regarding exchange of prisoners, and a decision by Pakistan to withhold from non-Muslims dividends on shares of West Punjab companies provoked vigorous protests from India. There were comparatively few border incidents during the month.

Communists

14. Communist activities in the Malabar and Andhra areas of Madras, reported last month, have continued, and the Madras Government have taken stringent action to suppress them. The Madras Suppression of Disturbances Act (providing enhanced penalties for certain offences) has been extended to the disturbed areas and the Government, announcing the names of 98 Communists who have gone underground, called upon the public not to assist them. They have also promulgated an Ordinance prescribing penalties for sheltering them and withdrawing habeas corpus rights from persons detained under the Maintenance of Order Act. Reports of disturbances, allegedly Communist-inspired, involving clashes with the police, have also come from Calcutta, Orissa and the U.P.

Developments in Indian Political Parties

15. *Congress.*—While the West Bengal Cabinet Crisis (*cf.*, para. 15 of April appreciation) has been resolved for the present by the formation of a new Cabinet under the same leadership of Dr. B. C. Roy, minus the dissidents who had demanded its reconstruction, the East Punjab tangle still remains unsolved. In the U.P. the Congress Party has been engaged in disciplinary action against 650 of its members who acted against its official candidates in the recent District Board elections. These resulted in an even more overwhelming Congress victory over the Socialists than had been formerly supposed.

16. *Socialists.*—The main Socialist public utterances during the month have been devoted to criticising the Communists and the Congress alike, and to calling for a stronger and more determined line against Hyderabad. In a May Day speech, Jai Prakash Narain outlined the state of society which his Party aims at creating. No one except invalids would be allowed to live on unearned income, and maximum and minimum rates of income would be Rupees 1,000 and Rupees 100 a month respectively.

17. *The Muslims.*—The policy of limiting the activities of the Muslim League to cultural, religious and economic matters, to the exclusion of politics, has been affirmed by its President, who pledged the loyalty of Indian Muslims to the Indian Union. The personnel of the League's new Working Committee which was recently announced shows that all its members are drawn from Bombay, the C.P. and South India. This seems to confirm recent impressions that the League has little life left outside Madras and possibly also Bombay.

18. *The Sikhs.*—During the month the President of the Akali Dal announced a charter of minimum Sikh demands, which included the formation of a Punjabi-speaking Province with Punjabi as its official language, and 75 per cent. representation in the Interim Ministry of the Union of Patiala and the East Punjab States with a Sikh as Premier (*cf.*, para. 22 below). Sikh internal politics have been largely given over to a struggle between Tara Singh (extremist Akali) and Udham Singh Nagoke (Congress) for control of the Shromani Gurdwara Prabhandhak Committee and the Akali Dal, the Sikhs main religious and political organisations respectively. Ultimately, Udham Singh Nagoke was elected president of the former Committee and Tara Singh of the latter. This shows how riddled the Sikhs still are with internal political dissensions.

19. *Communal and Refugees.*—Apart from a few minor clashes in several parts of the country the month was quiet though there were reports of increased communal tension from the United Provinces where numerous members of the R.S.S.S. arrested after Gandhi's assassination have been released. Furthermore, at the end of the month there were persistent rumours in Delhi and the East Punjab that there would be serious communal clashes in these areas round about the middle of June when

Lord Mountbatten is due to leave India as well as a Sikh attack on Pakistan.

20. In view of the number of Muslims (reported to be 100,000–200,000) who have recently returned from Pakistan to India, the Government of India have decided that no further large-scale movements of Muslims will be permitted unless equivalent numbers of non-Muslims can return to Pakistan in accordance with a planned migration scheme agreed upon between the two Dominions. The main reason for this decision, which is virtually a ban on the return of Muslim refugees to India because no such two-way traffic is likely to be practicable, is that much of their property has already been allotted to non-Muslim refugees in India and the return of former owners would undoubtedly cause breaches of the peace.

Provincialism and Linguistic Provinces

21. There have been several disquieting signs of separatist Provincial tendencies during the month. There have been disputes between the Central Provinces, Bihar and Orissa over the merger of certain Eastern States with these Provinces; West Bengal has demanded certain Bengali-speaking areas of Bihar; the Sikh demand for a Punjabi-speaking Province is frequently repeated (*cf.*, paragraph 18 above); while in Assam there have been clashes between the Assamese and Bengalis. The Prime Minister and other leaders have strongly condemned these tendencies but the situation has not been eased by the announcement that a Commission of the Constituent Assembly will shortly be appointed to investigate the formation of four new Provinces, Andhra, Karnataka, Kerala and Maharashtra (*viz.*, in the Deccan and Southern India).

Indian States

22. The Ministry of States Plan for the integration of Indian States was almost completed by the announcement of the formation of the Union of Patalia and the East Punjab States, which is to be inaugurated in mid-July. This new United State, which has an important strategic position near the West Pakistan border, will have an area of over 10,000 square miles, a population of $3\frac{1}{2}$ million (many of whom are Sikhs) and a revenue of Rupees 5 crores. Master Tara Singh has hailed this as the first step towards consolidating Sikh power.

23. With the agreement of the Ruler, the Government of India have taken over Cutch State, which has a long frontier with Pakistan and will administer it as a Chief Commissioner's Province. In Junagadh, an Executive Council has been formed of persons "commanding the confidence of the people of Junagadh" under the Presidency of the Government of India's Administrator of the State.

Mahatma Gandhi's Assassination

24. The trial of Nathuram Vinayak Godse, the alleged assassin of Mahatma Gandhi, and eight others, including V. D. Savarkar, ex-President of the Hindu Mahasabha, on charges of conspiracy, murder and offences under the Arms Act, opened amidst elaborate security precautions in the Delhi Red Fort at the end of May.

C.—Economic

Japanese Trade Mission

25. The Japanese Trade Delegation, referred to in para. 28 of my April appreciation, spent the greater part of the month in India. It is not yet evident that India is to get much out of this visit, but the Delegation has secured the export of 50,000 bales of raw cotton of varieties the export of which is normally prohibited (Jarillas and Comra Desis). Private trading has also been opened with Japan in short staple cotton (Bengals and Mathias). There is no official announcement of the *quid pro quo* and the Delegation has refused to commit itself on the subject of the supply of technicians and on the availability of many commodities about which Indian importers and merchants' associations have made enquiries. The Commercial Press has expressed dissatisfaction at the results so far achieved.

Jute and Jute Goods

26. The Government of India's recently announced policy for the export of jute goods comes reasonably close to accommodating the United Kingdom's requirements. 10 per cent. of the total quota is to be reserved for newcomers but the rest will be reserved for established shippers, including former newcomers who have managed to establish themselves in the past year.

Supply of Capital Goods and Progress of Industrialisation

27. In their hunger for capital equipment the Government of India have decided

on a scheme of manufacturing heavy electrical plant in India, and the Ministry of Industry and Supply has made enquiries from the Trade Commission about facilities which the United Kingdom might be able to give them in this connection. The Government have also executed an agreement with a British Company for the establishment of a factory to manufacture automatic telephone and carrier equipment.

28. A Department of Scientific Research has been constituted to work under the Prime Minister. The inclusion of this new Department in his portfolio is taken to reflect his interest in economic development.

Textiles (De-Control)

29. The unfortunate effects of withdrawing control on the prices and rationing of cloth continue. The industry and the trade in general have failed to respond to the Government's hope that they would exercise voluntary control of prices though some mills are now opening retail shops and one mill at least is even running its own rationing scheme.

Industrial Policy

30. A Government Resolution announces their intention in pursuance of the Industrial Policy Resolution (*cf.*, para. 21 of my

April appreciation) to constitute a Central Advisory Council on the Government's proposal to introduce profit-sharing in industry. In view, however, of the complicated issues involved a Committee of Experts including industrialists, financiers, economists and representatives of the Government of India is to be appointed to make a preliminary study of the question.

Food

31. The report of the Government's Food Grains Policy Committee recommends that India be made independent of food imports within five years by increasing production by 10 million tons through large multi-purpose irrigation projects, mechanised reclamation of waste land, and improvements in existing cultivation.

Labour

32. The Congress sponsored Indian National Trades Union Congress formed last year in opposition to the Communist-controlled A.I.T.U.C. has been recognised by the Dominion Government as the most representative Trades Union organisation in the country and has therefore been invited to nominate the Indian workers' representatives at the forthcoming I.L.O. Conference at San Francisco.

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No. 21

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, New Delhi, No. 6 for June 1948

(Received in Commonwealth Relations Office, 20th July)

(No. 110)
Sir,

New Delhi,
14th July, 1948.

A.—Political External

Economic Commission for Asia and the Far East

Two issues dominating the E.C.A.F.E. session at Ootacamund which began on the 1st June: that of capital goods for Asia (and dollar aid with which to buy them) and that of Indonesian Associate Membership. The Indian delegates asked for recognition as a counterpart of the Western principle of equal access to raw materials, of the principle of equal access to capital

goods, and for the Western Powers, particularly America, to help to develop the area covered by the Commission. In the same breath they exhorted their listeners to appreciate Asia's natural fear of Colonial exploitation, and Pandit Nehru in his inaugural speech made clear that Asia would forgo aid rather than accept any condition savouring of economic domination.

2. Dr. Grady, the U.S. Ambassador, in reply, discouraged hopes of free foreign aid for India and pointed to the need for creating conditions in India in which domestic and foreign capital could be protected. If such conditions were to exist,

he was sure American capital would be forthcoming; and he reassuringly added that America's industries had been built up largely on British capital without his country's coming under British domination.

3. India has undoubtedly been disappointed by her failure to secure free aid from America and the realisation that she would have to wait her turn for capital goods. She apparently feels that as a "war devastated area" she should not receive less favourable treatment than Europe or China, and that she differs from the Marshall aid countries only in that she is determined to remain outside the sphere of U.S. political influence.

4. Indonesia's case for admission to E.C.A.F.E. was strongly supported by India, but after much argument decision of the issue was postponed until the next session of the Commission.

Foreign Policy—General

5. Pandit Nehru on the 6th June once more re-affirmed his Government's policy of neutrality. "India," he said "does not want to be dragged into any conflict but can escape only if she is strong enough, not only militarily but economically."

South-East Asia

6. Burma's swing to the left and the Malaya disorders occasioned some disquiet and a fear, since somewhat offset by the Berlin crisis, that Communist pressure was being diverted from Europe to Asia; and the Government are concerned about the effect on Indian interests of Burma's policy of ending private ownership of land and the virtual nationalisation of the import and export trades. Counter measures in Malaya, though accepted understandingly in official quarters, gave the Press an opportunity for another tilt at British imperialism.

7. Despite Vietnam's reported contacts with Chinese Communists, India is wholly unsympathetic towards France's arrangements with General Xuan in French Indo-China, and is displaying a reviving interest in the Indonesian Republic; twenty-one Indonesian pilots are to be trained in India this year and several scholarships have been offered to Indonesian students.

South Africa

8. Evidence that the Nationalist Party intends to implement its proclaimed policy towards Indians in South Africa evoke no surprise, though Press comment has been

disappointed and bitter. The Government of India are likely to raise the matter anew at the Paris session of the U.N. Assembly in September.

B.—Political Internal

Kashmir

9. In reply to a strong protest by India against the inclusion of the Junagadh, genocide and other "extraneous" issues in the U.N. Commission's Terms of Reference, and a request for information on the matters which the Commission intended to discuss with India, conciliatory but non-committal messages have been received from the Security Council and the U.N. Commission; and the latter has continued unhurried preparations for its visit. India will probably receive the Commission (which is expected in Delhi in the first week of July) with courtesy but without enthusiasm, and her future attitude towards it will no doubt depend on the questions it seeks to investigate or discuss.

10. Pandit Nehru has now admitted publicly that the Government of India possess clear evidence that Pakistan Regular Forces are opposing the Indian Army in Kashmir, and subsequent Press reports of actions between Indian and Pakistan troops have been frequent. This disclosure of facts long suspected has not produced the outburst against Pakistan that might have been expected, and indeed there has been surprisingly little reaction to it: comment is perhaps being deliberately withheld until the U.N. Commission arrives. Nor has there been a noticeable deterioration in Indo/Pakistan relations (though the postponement of Liaquat Ali Khan's promised visit to Delhi is perhaps connected with these revelations); on the contrary, the month has seen Indo/Pakistan agreements on air transport and the inter-Dominion transfer of funds.

11. The Indian Army began the month with local successes in the Uri sector but the pace of the advance has since diminished, possibly owing to opposition by Pakistan troops. Elsewhere the position has remained almost static, save for some activity north of Srinagar.

Hyderabad

12. After a substantial area of common ground has apparently been reached and in spite of strenuous efforts by Lord Mountbatten to secure an agreement before his departure, negotiations between India and Hyderabad finally broke down on 17th

June. Ostensibly the reason for the failure was Hyderabad's last minute quibbling about a few relatively unimportant matters; informed opinion holds however that the real reason was the Nizam's reluctance or inability to quash the militant Razakar organisation. Announcing the breakdown, Pandit Nehru declared that, while it was still open to the Nizam to accept the draft agreement presented to him, India would make no more concessions; she could not tolerate an independent Hyderabad, and her next step would be a tightening of the economic blockade of the State.

13. The breakdown was followed by an intensification of the Press campaign against the State, embellished by lurid accounts of alleged Razakar atrocities and impassioned demands for war. The Indian Prime Minister has however now declared that armed conflict will if possible be avoided; and India's action has so far taken the form of a strict blockade of petrol and essential supplies, the freezing of Indian securities held by Hyderabad, a ban on the export of currency and valuables to the State and the severance of air communications. Indian police and soldiers have moreover been ordered to pursue raiders back over the State boundaries.

14. The Nizam's dominions meanwhile are resigning themselves to a state of siege. The people have been warned to prepare for hardships, the sale of imported goods is being controlled and air raid precautions are being revived; the Nizam—presumably as a sop to Cerberus—has announced the early convening of a Constituent Assembly on the basis of Hindu/Muslim parity; and the egregious Kasim Razvi, the Razakar leader, has publicly welcomed the prospect of war and threatened to plant the Nizam's flag on the Red Fort at Delhi: what the attitude of the Hyderabad States Forces themselves may be is not apparent.

Lord Mountbatten's Departure

15. Lord Mountbatten left India on 21st June and was succeeded as Governor-General by Shri Rajagopalachari, former Governor of West Bengal. Dr. Katju, Governor of Orissa, became Governor of West Bengal and Mr. Asaf Ali, former Indian Ambassador in Washington, assumed charge as Governor of Orissa. Lord Mountbatten's departure was marked by scenes of enthusiasm reminiscent of last year's Independence Celebrations, and Press and public united to pay tribute to his statesmanship, and to his and Lady

Mountbatten's personal qualities and work for Indo/British friendship.

India and the Commonwealth

16. Speculation continues on India's future relationship with Britain, and considerable interest attached to a flying visit by Mr. De Valera during which he expounded Eire's position *vis-a-vis* the Commonwealth. Shri Rajagopalachari has declared that no foreign power could intimidate India into separating from Britain, but prophesied that he would probably be the last Governor-General; two speakers, Pandit Kunzru and Mr. Devadas Gandhi, have taken what is for them an unusual line in stressing the necessity for Indo-British co-operation whether or not India remained in the Commonwealth; and Sardar Patel came back to the political scene after his illness with a violent diatribe against Mr. Churchill and his recent remarks on India, in the course of which the Deputy Prime Minister of India demanded that His Majesty's Government in the United Kingdom should prevent such "malicious and venomous attacks" if friendly relations with India were desired.

Communists

17. Communist demonstrations and arrests of Communist workers were again reported from many parts of the country; and the West Bengal Government announced that it had evidence of underground organisation and collection of arms by Communists with a view to fomenting strikes and an ultimate seizure of power by force of arms.

Developments in Indian Political Parties

Congress

18. Internal dissensions within the Party came to a head over the elections of office bearers of the Provincial Congress Committees, and in spite of efforts by all-India leaders to arrange compromises the elections were keenly contested in several Provinces. The most serious rupture was in the United Provinces, where the elections were postponed by order of the Congress President to enable Pandit Nehru himself to try to close the ranks.

19. The West Bengal Cabinet has been expanded by the re-admission of the two dissident Ministers left out when the Cabinet was re-shuffled (*cf.* paragraph 15 of May Appreciation); and the East Punjab Cabinet crisis has been temporarily resolved

by giving portfolios to two West Punjab refugees, an Akali Sikh and a Hindu Congressman, in substitution for a pro-Congress Sikh and a dissenting Congressman.

Socialists

20. The main energies of the Socialists have concentrated on the U.P. by-elections (arising out of the resignation of Socialist members from the Assembly), which have been treated as a trial of strength with the Congress Party. Leaders of both Parties toured extensively making innumerable speeches, and the elections themselves were characterised by intense activity and much ill-feeling. In the result the Socialists were heavily defeated, losing all contested seats.

Muslims

21. The disintegration of the Muslim League goes on. In Assam the League has been dissolved and in the U.P., although its organisation is to continue, it is to eschew political activities. The U.P. Muslim League Parliamentary Party, reformed as the "Janata" Party, is showing signs of attaching itself to the Socialists.

Sikhs

22. Sikh politics remain confused, dominated mainly by rivalry between Tara Singh's Akali group and the pro-Congress group of Udham Singh Nagoke. Both have been angling for Hindu support by appeals for Hindu/Sikh unity, and Tara Singh is reported to have come to an understanding with the Hindu Mahasabha.

Hindu Mahasabha

23. The East Punjab and U.P. branches of the Hindu Mahasabha have adopted resolutions disapproving the decision of the All-India body, taken after Mahatma Gandhi's assassination, to abstain from political activities (*cf.* paragraph 12 of February Appreciation).

Forward Bloc

24. The All-India Forward Bloc has decided to function as a separate Party with a Socialist programme, and its members are in consequence to resign from the Congress Party.

Communal

25. Elaborate security precautions were taken to guard against the serious troubles which persistent rumours prophesied for Northern India at the time of Lord Mount-

batten's departure, and public men of all Parties made appeals for peace and amity. Whether as a result of those precautions or not, nothing untoward happened: the communal situation, apart from a few isolated incidents of minor importance, remained peaceful during the month.

Refugees

26. The administration of all refugee camps is being handed over to the Provincial Governments and the million odd refugees in them are to be dispersed as quickly as possible. This is easier said than done, owing to the frequent reluctance of refugees to settle in the areas to which they are allotted.

Provincialism and Linguistic Provinces

27. On the one hand, the bickering between Provinces reported in the May Appreciation has occasioned statements by Pandit Nehru, Dr. Katju and other leaders condemning provincialism and stressing the need for a strong Central Government: and on the other, the appointment of a Commission of the Constituent Assembly to examine the formation of linguistic provinces of Andhra, Kerala, Karnataka and Maharashtra has been officially announced; the Commission is to submit its report in time for the next session of the Constituent Assembly, now postponed until October.

Indian States

28. Ministry-making, not without travail, has been in progress in the new Unions of Madhyabharat and Vindhya Pradesh, and discussions on the formation of an interim Ministry for the East Punjab States Union have been initiated by the Maharaja of Patiala. The merging of 42 Gujarat States into Bombay Province took effect on the 10th June. The Government of India are taking over the Customs administration of the ports of the Saurashtra Union and will compensate the Union for its lost revenue.

Mahatma Gandhi's Assassination

29. Great interest centres on the hearing of the prosecution case against N. V. Godse and eight others accused of conspiring to assassinate, and the murder of Mahatma Gandhi.

C.—Economic

General Agreement on Tariffs and Trade

30. The Protocol of Provisional Application of the General Agreement of Tariffs

and Trade was signed by India's U.N. representative on the 8th June. The concessions accorded by India become effective on the 8th July except for certain items to be legislated for during the next session of the Constituent Assembly (Legislative); and President Truman has issued a proclamation putting into effect from the same date the reciprocal concessions to be accorded to India by the U.S.A.

United States Commercial Treaty

31. Discussions in regard to a commercial treaty between India and the U.S.A. are in progress in Delhi.

United Kingdom Jute Mission

32. The United Kingdom Jute Mission which visited India and East Bengal to discuss jute supply prospects for the U.K. next year has achieved moderately satisfactory results.

Czechoslovakian Technical Mission

33. A Czechoslovak Technical Mission which has been touring India has discussed, among other things, with Government Departments and Manufacturers a special Czech process for utilising low-grade coal in the production of oil. The Mission also made arrangements for the practical training of Indian students in Czech factories and for a Consulting Engineering Office to be established in India.

Import Policy

34. There is evidence that import control is being increasingly used as a means for protecting and fostering indigenous industry.

35. An extra period of grace is being allowed for the shipment of goods held up in the United Kingdom by the dock strike.

Industrial Policy

36. The legislation to be introduced at the next session of the Indian Dominion Parliament, according to Press forecasts, will include a measure to establish public corporations, a measure dealing with industries to be nationalised and, of more immediate interest to the United Kingdom, legislation in respect of foreign capital.

Trade Delegation

37. An Indian Trade Delegation to Germany (which will afterwards visit France and Czechoslovakia) left India in mid June, led by Mr. J. K. Jha, the Chief Controller of Exports.

Controls and Prices

38. The steadily rising prices of all commodities have caused much public concern, while the failure of the policy of decontrol so far as cloth is concerned, has been admitted by the Industries and Supplies Minister.

39. Distribution as for monthly Appreciation No. 2.

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No. 22

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, New Delhi, No. 7 for July 1948

(Received in Commonwealth Relations Office, 25th August)

New Delhi,
(No. 130) 19th August, 1948.

July was in almost every respect a depressing and uneasy month. Indo-Pakistan relations deteriorated as a result of the direct participation of Pakistan troops in the fighting in Kashmir. Indo-Hyderabad relations progressively worsened and by the end of the month the chances of a peaceful settlement seemed very dim. This turn of events produced

a state of general communal uneasiness and led several Provincial Governments to use their recently promulgated security legislation to arrest a number of Muslims, including some described as being Pakistan or Hyderabad spies. In addition to these developments, the general economic situation has given rise to much anxiety. Industrial confidence continued to sink and commodity prices soared to such levels that partial controls on food and cloth had to

be re-imposed. One encouraging sign, however, is the apparent unity prevailing in the Dominion Cabinet in the midst of all these difficulties.

2. In the field of external affairs, Indian comment has been generally sympathetic to the Western Powers over the Berlin crisis, though in a somewhat condescending and detached way. Sympathy for Britain in Malaya, which is nearer home, has been more realistic.

Internal Affairs

3. *Kashmir*.—The United Nations Commission, which arrived in the sub-Continent early in the month, spent a good deal of July in Delhi listening to India's case after they had obtained assurances from both Dominion Governments that they would avoid action likely to aggravate the situation. India's reception of the Commission was courteous and correct, while the latter, by tact and understanding, succeeded in dispelling many of India's original suspicions of their intentions. The discussions in Delhi were carried out in a friendly atmosphere, but, when the Commission made soundings from both sides as to the conditions under which they would accept a cease fire, considerable divergences of view were revealed. In particular, they found a hardening in India's attitude due in the main to the presence of Pakistan troops in the State as well as the reverses inflicted by the latter on Indian troops in the second half of the month in the Uri-Chakothi-Tithwal sector of the front.

4. *Hyderabad*.—In pursuance of the policy announced by Pandit Nehru last month, India tightened her blockade of the State and introduced currency restrictions designed to cripple its economic life. Attempts to break the blockade by the Australian-born adventurer, F. S. Cotton, who was alleged to be smuggling arms direct from Pakistan to Hyderabad in aircraft belonging to a British Company, aroused great excitement and provoked the Government of India to make representations to the Governments of the United Kingdom, Canada (two of the aircraft were said to have Canadian markings), Australia and Pakistan. The activities of smugglers on the land borders of the State have also come in for considerable attention from the Indian Police and, as in previous months, numerous border clashes *allegedly* originated by Razakars and State Police (Hyderabadis say Indian police) have been

reported, the most serious of which was an ambush of Indian military forces at Nanaj (near Sholapur) resulting in a number of casualties on both sides. Atrocities by Razakars within the State have also been widely reported, and the Hyderabad Commerce Minister (a Hindu) has resigned on the grounds that the State Government were powerless to prevent them.

5. Stimulated by this, the clamour of the Press and the Socialists for military action against Hyderabad has grown more insistent, and their voices have been joined by those of Congress leaders in various parts of the country. Finally, at the end of a month of increasing tension, unrelieved by any prospect of a change for the better, Pandit Nehru made an important speech in Madras outlining India's policy. He confirmed the statement made earlier in the month by Sardar Patel, that India had finished with Lord Mountbatten's draft June agreement and that accession was now the only alternative open to the Nizam. He added ominously that India would have to take military operations (not war) against the State if and when considered necessary.

6. *Inter-Dominion Relations*.—Recent events in Kashmir have inevitably tended to embitter feeling against Pakistan, and in two important speeches Pandit Nehru strongly attacked the sister Dominion as being built up on lies and deceit. India's imposition during the month of a ban on the entry of travellers from Pakistan without permits has also provided an additional source of friction. In spite of these adverse developments it was possible for agreements to be reached at inter-Dominion Conferences, either on a ministerial or official level, on a number of matters of common concern, but these will really have little meaning until the Kashmir issue (and to a lesser extent Hyderabad) has been solved.

7. *Communal*.—Within the Union also tension has been rising, and a sharp outbreak of communal rioting in Bombay was probably due to the agitation against Hyderabad. Widespread arrests of Muslims (dubbed as Pakistan or Hyderabad spies) have been linked in certain sections of the Press with a fifth-column plot to spread communal disorders in the country in the event of trouble with Hyderabad, and although the West Bengal Home Minister has denied that the arrests in his Province had any connection with the discovery of any such conspiracy, the

position of Indian Muslims is again becoming more difficult.

8. *Security and Civil Liberties*.—All these developments have inevitably led to much uncertainty and apprehensions of the future. Congress and other leaders have spoken in ominous tones of the need to protect the security of the country at all costs, which in turn has led several Provincial Governments to exercise rigorously the powers given to them under the recently Promulgated Public Security Acts. Muslims and Communists have been the most affected by this. It is, however, a healthy sign to find that various sections of public opinion are much concerned about this inroad on civil liberties. Two Chief Justices have spoken about the need for restraint on the part of the Executive; a considerable part of the Press have expressed their concern about their own freedom of expression; and the Socialists, still smarting from their defeat in the United Provinces bye-elections, miss no opportunity to criticise the Government in this respect. Pandit Nehru, indeed, found it necessary to express his regrets at the necessity for this curtailment of freedom, but maintained, amongst other things, that Communists could not be allowed to carry on "atrocities" in the name of civil liberties. Arrests of Communists have continued during the month, but the principal leaders still remain underground.

9. *Congress Party*.—Despite this criticism of Congress Governments by parties of the left and others, the Congress Party itself has not been without its problems, and is sharply divided in several Provinces. In the United Provinces a disputed election between rivals for the Provincial Congress Presidentship was averted only after protracted intervention by both Pandit Nehru and the Congress President; while in Bihar and Andhra, where office-bearer elections last month could not be averted, purges of the local parties are in progress. The Congress President has also found it necessary to issue an important directive to party members all over the country to refrain from interfering with district administration, and not to dictate to Government officers. This is a belated recognition of the dangers of a state of affairs which has been causing a steady deterioration in administrative standards and official morale since the latter days of British rule.

10. *Indian States*.—As regards the Indian States, Sardar Patel, making his

first public appearance after four months' illness, inaugurated the new Union of Patiala and the Sikh States. This marked the culmination of the Government's policy of integrating the States, and a White Paper, reviewing the results of this policy, shows that of 600 former States, barely 25 remain as independent units; the rest having been merged with adjoining Provinces or consolidated into one of the six large newly created Unions or centrally administered areas. The Government are now turning their attention to the less spectacular but more difficult task of making the new units work, and at a Conference of the Union Rajpramukhs and Premiers important decisions were taken regarding their future administrative structure and the help to be given them to strengthen their respective administrations.

11. *Provincialism*.—In contrast to this consolidation of territory, the fissiparous tendencies inherent in Hindu culture continue to find expression in inter-provincial disharmony and various leaders have again had to warn their countrymen of the dangers of provincialism. The Centre has had to intervene in a dispute over a proposed dam between Bihar and West Bengal, and the two Provinces continue to dispute their claims to the Bihar coal fields. These fissiparous tendencies have been encouraged by the activities of the Linguistic Provinces Commission (*cf.* paragraph 27 of June Appreciation) which does not inspire confidence that the complex problems before it will receive very deep consideration and whose very existence gives hopes to the parochialists that existing Provinces will be split up into smaller units of administration.

Economic

12. *General—Inflation, De-Control and Lack of Confidence*.—With all these pressing political pre-occupations, the Dominion Government are also having to face serious economic difficulties. Inflation is mounting and the general wholesale price index (based on 100 for August 1939) is now 381·8. The sub-index for principal food grains is 448·3 for India as a whole but has exceeded 500 in certain areas; while wheat prices in Hapur, the largest market in Northern India, are back to and above the black market rates prevailing last December just before decontrol. The retail price of wheat and rice in the towns has for some weeks been beyond the ability of the poor to pay, and several Provincial

Governments have had to open "Relief Shops" in various centres. The recently disbanded rationing staff is being reassembled, and it looks like 1943 over again, when the first stages of rationing were forced on an unwilling administration, with the unfortunate difference that prices have much increased in the meantime. Cloth prices, too, which in the words of a Government announcement have risen to "fantastic heights," have caused the Government to realise the unfortunate results of their decontrol policy and have led to the introduction of partial recontrol measures.

13. While commodity prices thus soar, industrial confidence continues to sink. The Calcutta Stock Exchange has had to impose a floor for transactions lest the bottom drop out of the market. Even Government and Tata capital in combination does not attract the public, and Ministers are starting to talk about a "strike" of capital and the "duty" of the investor to invest and even of forcing the industrialists to industrialise. The Prime Minister is trying to get together a team of economists to co-ordinate the Government's economic activities which have produced this sad mixture of inflation and depression. It seems unlikely that he will achieve much while doctrinaire legislation on banking, accountancy, mining and nationalisation of industry occupy most of the attention of Ministers and Secretaries.

14. *Refugees*.—Criticism of the Government's failure to arrest rising prices is general, but has been particularly vocal from the refugees, who are not only hard hit by the mounting cost of living, but are dissatisfied with the efforts made to rehouse and rehabilitate them. Provincial and State Governments have now been made primarily responsible for this work, and Provincial Premiers and State Ministers were summoned to Delhi during the month to discuss and integrate future policy.

15. *Sterling Balances and Import Control*.—Closely associated with the conclusion of the Sterling Balances agreement, which was on the whole well received, is the issue of an Open General Licence for sterling and soft currency countries; another for Sweden and Switzerland; and a new set of general regulations governing the licensing of imports for the next shipping period. Despite the policy publicly expressed by the Commerce Minister that import licensing should not be used for protective purposes, bans on the import of many items which are indigenously produced (some of them produced by industries

which already have the advantage of tariff protection), have actually been extended and the new regulations are comparatively more liberal only in respect of the raw materials which the Indian manufacturer requires. The Commerce Ministry has, for the most part, ignored the modest list of items for which the United Kingdom had requested relaxation to suit its own economy.

External Affairs

16. *General*.—During the month India has displayed an intimate interest in developments in what she regards as her own field of interest, coupled with a surprising detachment to events outside it. In South-East Asia, her own fears of Communism have found expression in general support of Britain's action against Communists in Malaya; and there has been no difficulty in reconciling this attitude with continued hostility towards French and Dutch "colonialism" in Indo-China and Indonesia. Further afield nationalist reverses in China have left Indian opinion comparatively unmoved; and while comment on the Western Powers' firm attitude in the Berlin crisis is generally sympathetic, Indians generally do not seem to regard the possibility of a future atomic war as of direct concern to themselves. Indeed, India regards the Big Powers as now reaping the inevitable fruits of their power politics, and regret has been expressed that she is not yet powerful enough to lend her good offices as mediator between them.

17. Despite this relative parochialism India is clearly bent on trying to secure a greater voice in world affairs. Though handicapped by shortages of accommodation in Delhi and of trained staff to send abroad, she is establishing independent diplomatic relations with all countries expressing a desire for them. Trade agreements have been reached with Bizonia and Russia, and India's first Treaty of friendship, trade and commerce with a foreign Power, Switzerland, will be signed shortly. She has also expressed her dislike of the little Assembly as an institution, and seems likely to raise with the U.N. Assembly the inadequacy of Asian representation on the Security Council and other U.N. bodies. Her fresh reference of the South African dispute to the U.N. Assembly has naturally led to a good deal of adverse comment about the existence of racial discrimination within the Commonwealth and the unfor-

tunate absence of any machinery for settling disputes between its members.

18. *French and Portuguese Settlements*.—Though the French authorities are accused of attempting to rig the forthcoming Municipal Elections and plebiscites in Pondichery and Chandernagore, the impending settlement of the problem of French India has somewhat diverted attention towards Portuguese India. Accusations of gun-running into Hyderabad from

Goa have been hotly denied by the Portuguese authorities, and there has been considerable agitation by the Indian National Congress in Goa against alleged Portuguese repression. The Government of India have, apparently, already asked the Government of Portugal to end the system of Portuguese ecclesiastical patronage in various parts of India, particularly the Diocese of Bombay.

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No. 23

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, New Delhi

No. 8 for August 1948

(Received in Commonwealth Relations Office, 27th September, 1948)

General

August was again a depressing and tense month. The first published report that Pakistan had admitted to the United Nations Commission that her troops were fighting in Kashmir caused a serious deterioration in Inter-Dominion relations; while the Commission's own efforts to bring about a cease-fire in the fighting seemed as the month wore on to have diminishing chances of success. Indo-Hyderabad relations continued to become even more tense until at the end of August the breaking point seemed imminent. Though the general economic situation showed no real signs of improvement, the Dominion Government displayed encouraging signs of an appreciation of its dangerous possibilities by consulting leaders of various interests with a view to measures being promulgated to counteract the present inflationary trends. The Dominion Cabinet lost an able colleague in the resignation of M. Shanmukham Chetty, the Finance Minister, as a result of an admitted administrative indiscretion in withdrawing certain groups of Income Tax cases from reference to the Income Tax Investigating Commission without the previous consent of the Commission. The announcement of his permanent successor has yet to be made.

2. Independence Day, 1948, was in marked contrast to the exuberant enthusiasm displayed a year ago. In accordance with governmental direction it was treated

not as a day of rejoicing but of homage to Mahatma Gandhi's memory and rededication to the tasks ahead. Many messages were delivered to the nation by its leaders on this occasion; Sar Patel's being far and away the most realistic. He spoke of the unrest in Asia and the troubles of China by way of warning and example; and pointing clearly to the Communists he referred to those "elements who were trying to foist on India a foreign pattern of economy and Government." These, he said, would have to be put down with a firm hand immediately, even though this might involve some temporary curtailment of the liberties of the people.

Internal Affairs

3. *Inter-Dominion Relations*.—A report in a Lahore newspaper (well founded as subsequent counts proved) that Pakistan had admitted to the United Nations Commission that her troops were engaged in Kashmir aroused much indignation in India; led to a demand that British personnel should be withdrawn from the Pakistan Army; and also induced many people to speak of a kind of "undeclared war" that exists between the two Dominions. Inter-Dominion discussions due to be held on economic matters were as a result postponed *sine die*, though surprisingly enough this did not prevent other discussions being held and agreements reached on the two contentious subjects of

evacuee property and the exchange of civil prisoners, namely, Muslims in jail in certain parts of Northern India and non-Muslims in Western Pakistan. It can only be deduced from all this that both Dominions are still willing to limit this state of affairs to Kashmir.

4. *Kashmir*.—The military situation remained almost static throughout the month; neither side undertaking any major move. There was, however, a good deal of resentment in Pakistan against Royal Indian Air Force attacks on the far north town of Gilgit. The Indians claimed that they attacked "military objectives"; Pakistan retorted that all the casualties to property and person were civilian. The United Nations Commission, after studying the views of the two Dominions, presented their Cease Fire proposals to the two Governments on 14th August. Both required elucidation of certain points from the Commission, but it seemed fairly clear by the end of the month that, while India was prepared to accept subject to certain conditions, Pakistan's reservations would amount to almost virtual rejection.

5. *Hyderabad*.—Efforts by Sir Mirza Ismail (a near-Congress Muslim and former Prime Minister of Hyderabad) to reopen negotiations between India and Hyderabad on the basis of the June draft agreement proved abortive, and Sardar Patel, when placing a Government White Paper on Hyderabad before the Dominion Parliament a few days afterwards, re-affirmed that the only solution was Hyderabad's accession and the introduction of responsible Government. The Hyderabad Government's next move was an announcement that they would take the dispute to U.N.O., and a letter was addressed to the President of the Security Council claiming that India's pressure on the State constituted a threat to peace. India considers the proposed reference to be entirely invalid as the dispute is, in their view, purely domestic, and that under the Standstill Agreement Hyderabad has no international *locus standi*.

6. As regards conditions inside the State, it became clear as the month wore on that while Hyderabad City was entirely peaceful, law and order was not being maintained on the western frontier areas or in the South-Eastern districts. In the former there were constant border raids, and in the latter the Communists seemed to have the situation very largely under their own control.

7. *Communal*.—Arrests of Muslims accused of anti-Union or pro-Hyderabad activities continued during the month in different parts of the Union and led to increased suspicions of Muslims' loyalty and intentions. The only serious outbreak of communal rioting, however, during the month was in Agra in the United Provinces where some local Muslims showed that they still had a goodly supply of arms and ammunition to fire off against the police. A possible revival of communal political parties was foreshadowed by a recommendation of the All-India Hindu Mahasabha that the party should resume its political activities which were dropped after Mahatma Gandhi's assassination. This may be nipped in the bud by a Central Government directive to Provincial Governments (in part implementation of a resolution passed by the Dominion Parliament earlier in the year condemning communal political bodies) suggesting that no notice should be taken of representations or requests received from communal organisation.

8. *Other Party Developments*.—In the East Punjab the two rival Congress groups, whose manœuvres during recent months have deflected the attention of the Provincial Government from their pressing problems, announced that they had agreed to sink their differences following on a fast by a Congress member of the Provincial Legislature to bring about such a rapprochement. Unfortunately there are few who believe that the spirit of faction has been permanently eliminated. In the same Province (whose party politics are more difficult to comprehend than anywhere else in the Union) another fast by a supporter of "General" Mohan Singh, formerly of the Japanese sponsored Indian National Army, forced the Provincial Government to withdraw their previously published findings that he was planning to raise a private army to seize power in the Province. In West Bengal a keen contest for the Presidentship of the Provincial Congress Party resulted in a victory for the Leftist Wing of the Party. A few days after his election, however, the new President made a violent condemnation of Communism and all its present-day works.

9. *Communists*.—As a result of the vigorous preventive action taken by the Madras Government during the last few months, the Communists in Malabar (South-West India) are believed to have taken a pretty severe knock and to have

been driven underground for the time being. The unsettled conditions prevailing on the Hyderabad-Madras border have, however, given an unfortunate fillip to Communist activity in this area. Elsewhere in India there is little of importance to report except for arrests of Communists here and there.

10. *Indian States*.—Just as party faction in the East Punjab has hitherto prevented a stable administration in the Province, similarly weeks of negotiations for the purpose of constituting the first Cabinet in the neighbouring Union of Patiala and the East Punjab States came to an infructuous end when the Rajpramukh (or Constitutional Governor) was compelled, in consultation with the Government of India, to set up a Caretaker Government of officials owing to the failure of the various political parties to agree amongst themselves. In Baroda a major crisis developed as a result of a resolution passed at a private meeting of members of the State Assembly criticising the Ruler for (i) his failure to implement his promises of political reform, and (ii) misappropriation of State funds. In addition the resolution demanded his abdication. The Gaekwar hastily returned from Europe and with equal speed submitted to the dictates of Sardar Patel by agreeing amongst other things to (i) immediate responsible government, and (ii) a refund of the sums in dispute. In the result the Gaekwar has lost everything but his *gadi* and his private fortune. For fear of repercussions elsewhere the Government of India wisely refrained from going to the utmost limit. An interesting new development in the history of the Rulers of Indian States, who have now been shorn of almost all their powers, was the appointment of the Maharaja of Bhavnagar to succeed Sir Archibald Nye as Governor of Madras. The Government of India have done well to find a fresh outlet for their activities. A few other Rulers have accepted appointments under the Government of India; in particular in the Indian Foreign Service.

11. *Dominion Parliament*.—The Monsoon Session opened on 9th August and Members have been busily occupied in passing many items of social and economic legislation (the latter are reported in greater detail later); discussing the country's economic difficulties; endorsing the Sterling Balances Agreement; and asking hosts of questions especially on Kashmir, Hyderabad, and Refugee Rehabilitation.

Economic

12. *Economic Crisis*.—Although there has been a recession in the wholesale price index for industrial raw materials and semi-manufactured articles, the index for food items has risen. Shortly after the Dominion Parliament reassembled for its Monsoon Session a resolution was debated expressing grave concern at the continuing rise in the price of necessary commodities. The Prime Minister intervened to express his feeling that there ought to be a Minister of Economic and Social Affairs to co-ordinate the Government's economic policy, and promised more precise proposals with regard to economic policy later in the session. Thereafter the Government held Consultations with economists, industrialists, labour leaders, bankers and other political leaders with a view to measures being devised to counteract the present inflationary trends. The Government's decisions and preventive measures are still awaited, but it is fairly clear that the following are generally accepted as the main causes of the economic malaise:—

- (i) a shortage of consumer goods particularly of the kind which the primary producer, both agricultural and industrial, is ready to buy;
- (ii) excessive spending powers in the hands of—
 - (a) agriculturists who are receiving higher prices for their products than ever before;
 - (b) labour which is not in return giving a fair day's work;
- (iii) reluctance to invest in industries which are threatened by the Government's uncertain industrial policy and diversion of the surplus spending power of the middle and upper classes into trading activities and simple hoarding;
- (iv) transport bottle-necks which create areas of artificial scarcity;
- (v) the removal of controls on the distribution of scarce articles;
- (vi) the liquidation of capital by refugees who were forced to sell what assets they had in the disturbances following partition.

13. *Dominion Legislation of Economic Importance*.—Following on the passing of the Minimum Wages Act and the Employees' State Insurance Act in the preceding session, the Dominion Parliament have now passed a third measure of comparable importance in the Factories Act of

1948. This centralises the execution of the Government's labour policy and establishes a universal 48-hour week and 9-hour day with compulsory canteens for factories employing more than 250 and compulsory welfare officers for those employing more than 500. It is all to the good that labour policy, like industrial policy, should be centralised, but it remains to be seen how far this and similar legislation will be effectively implemented.

14. Other legislation passed during the month has threatened the commercial stake of the United Kingdom in India. The Income Tax Amendment Bill denies to non-Indian companies as a statutory right the status of "company" for the purpose of the act. Although an assurance has been given that this status will be maintained by executive order (for which provision is made in the Act), it is thought that United Kingdom private companies may be adversely affected. A second breach in the formerly privileged position of United Kingdom interests may eventually result from the passage of the Port Trusts Amendments Act, which is specifically designed to alter the representation of commercial interests on Port Trusts. Although the actual nomination of representatives is left to executive action, United Kingdom interests can hardly hope to maintain on these Trusts the position which they have held up to now.

15. The Insurance Advisory Committee met to consider, among other things, the Insurance (Second Amendment) Bill. The passage of this Bill, with unduly restrictive provisions relating to allowed expenses, would threaten the more expensively staffed, even if more efficiently administered, United Kingdom insurance firms. It is unfortunate that at the very time the selection of a Sub-Committee to scrutinise the Bill was in progress it should have come to the notice of the Commerce Minister that practices which might well be called discriminatory are arising in the United Kingdom in connexion with the marine insurance of hides and skins, jute and cotton.

External Affairs

16. *India's Relations with other Members of the Commonwealth and Burma.*—August has not been an encouraging month in this sphere either. Apart from the deterioration in Indo-Pakistan relations already mentioned, Indo-South African relations have worsened too. The main causes of this are Dr. Malan's introduction

of the bill to amend the Asiatic Land Tenure and Indian Representation Act; rumours that South Africa is preparing to repatriate all Indians from the Union; reports of segregation of races on the Cape railways; and also the South African attempt to replace the Havana draft protocol on trade and tariffs by a text which would make illegal the Indian boycott of trade with South Africa. Indeed, commentators have gone so far as to declare that a satisfactory settlement of the South African question by U.N.O. will be a test case not merely for the future of Commonwealth unity but for the continued existence of U.N.O. itself. Meanwhile the introduction in Ceylon of the Citizenship bill and of the Emigrant and Immigrants bill, as well as the growing evidence that the Ceylon Government wish to send back to India the major part of its Indian population, has led to a cooling off in the former cordial relations between India and Ceylon. One apparent result is the lack of sympathy for Ceylon at Russia's veto of the former's application for membership of U.N.O.

17. Publication of the report of the Trusteeship Council on Tanganyika, and of the report of the Official Commission into the recent disturbances in the Gold Coast have produced some caustic comment on British Colonial administration, which has been followed by increasing criticism in the provincial press of past British policy in Malaya which is held responsible for the present disorders. Indeed, "Colonialism" has begun to supersede the Communist menace as the chief bugbear of South East Asia. Although the Government of India are still much concerned about the situation in Burma there is a surprising complacency on the part of the Indian press and people. Ships to Rangoon from India are said to be no less full than usual, while ships from Rangoon apparently sail for India with plenty of space to spare.

18. *General.*—In the international field India continues to pursue a neutral course, deploring the rift between the Great Powers and laying the blame equally on all of them. Despite protests from the Soviet Embassy, the American film "The Iron Curtain" has been released for showing in India but is so cut that distributors have up to now refused to show it. As regards Indo-Soviet relations the good impression created by Marshal Stalin's Independence Day message (the first of its kind sent by the Marshal presumably since the transfer of power) has been tempered by

attacks on India in the Russian press to which Mrs. Pandit has recently drawn public attention. Moreover Indian respect for Russian diplomatic methods has not been increased by reports of the recent incidents in the Russian Consulate-General in New York. Though there is continued evidence of India's wish to eradicate Communism from her own boundaries, any suggestion that India should join the Anti-Communist powers of the world still evokes an adverse reception save for one

or two exceptions drawn from the extreme Right Wing of the Congress. A tendency is however developing to look to the Western Powers to produce a loose-knit and integrated Federation from which eventually some World Federation may ultimately emerge. There is an incipient feeling that developments on these lines can only begin in the West and that if a Federation of this kind were to emerge, India should consider associating herself with it.

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No. 24

INDIA

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By United Kingdom High Commissioner, New Delhi,

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General

September was almost completely overshadowed by events in Hyderabad. The rapid and comparatively bloodless over-running of the State by Indian forces; the successful maintenance of communal peace within the Indian Union; and the apparent unity of all communities and political parties in support of India's action, have given the Government of India a degree of prestige and confidence unsurpassed since the transfer of power.

2. Though these events fortunately produced no untoward incidents between India and Pakistan, the month saw no improvement in relations between the two Dominions. This was due to two main causes. *Firstly*, Pakistan had for some time previously viewed India's inevitable action against Hyderabad with acute apprehensions. When success so swiftly came by India's way, increased fears were felt that, freed from the commitment of fighting on two fronts, India would now turn her undivided attentions to Kashmir. Despite partially reassuring statements in public and private by Pandit Nehru as regards India's intentions towards Pakistan, nothing concrete was done to

allay these apprehensions. In the result, Pakistan's decisions to take measures to strengthen her defence forces can come as no surprise. *Secondly*, the U.N. Commission failed to achieve a cease-fire in Kashmir and departed for Europe to write their interim report to the Security Council, leaving behind them in the two Dominions brooding fears and forebodings for the future.

3. Stimulated by the approach of the Dominion Premiers' meetings in London, speculation and comment increased on the question of India's future relations with the British Commonwealth. India's final decision has of course to be taken by the Constituent Assembly, but it was generally expected that the London meetings would provide an opportunity for informal discussions on whether the existing structure of the Commonwealth could be so modified as to meet the changed conditions brought about by the entry of three new Dominions within its circle.

4. The Government of India continued to devote much time and consideration to the economic difficulties confronting the Union. Though the reimposition of certain controls was announced during the month, the Government's general measures to counteract the existing inflationary tendencies were still awaited.

Internal Affairs

Hyderabad

5. After months of rising tension, the climax was reached on 7th September when the Indian Government issued what was a virtual ultimatum requesting the Nizam to disband the Razakars and facilitate the return passage of Indian troops to Secunderabad. On Hyderabad rejecting this, the Indian Government declared themselves free to take whatever action they considered necessary, and on 13th September Indian forces entered Hyderabad from five directions. They met with little resistance, and on 17th September the Nizam, who had taken the situation under his personal control on the resignation of the Ittehad Ministry, announced that he had accepted the Indian demands and had ordered a cease-fire. He also issued instructions to Hyderabad's representatives not to press the State's reference to the Security Council. Indian troops entered Secunderabad the next day, and their Commander, Major-General Chawdhary, was appointed Military Governor, and forthwith commenced the task of rounding up and disarming the Razakars. Mir Laik Ali and his Ministers were placed under house arrest, and Kasim Razvi was arrested. The Razakars quickly disintegrated, though uncoordinated resistance has continued in places. The Communists in the South-East of the State seem to be proving a tougher proposition and it may well take some months before law and order are successfully restored in these areas. The ban on the State Communist Party, which was lifted six months ago by the Ittehad Ministry, has been reimposed.

6. An Indian official has been appointed Chief Civil Administrator and a skeleton Indian administrative staff, which had been kept in readiness for the occasion in the neighbouring Provinces of the Union, have assumed charge of key civil and police appointments in the State. For the present, State officials not too far compromised with the Razakars are being retained in service. The Nizam himself remains as titular head of the State, and has been at pains to fall in with the Indian Government's wishes and to point out his former helplessness at the hands of the Laik Ali Ministry and the Razakars.

7. Discussions have been held in Delhi between Indian Ministers and State Congress leaders regarding the long-term arrangements for the State's future and

it has been announced that when normal conditions return, a Constituent Assembly, elected on adult franchise, will decide both the future constitution of the State and its relations with India. It is clear, however, that the Indian authorities are not going to permit long-term political questions to deflect them at the moment from their primary tasks of (i) restoring law and order, and (ii) rehabilitating the economic life of the State which has been so largely paralysed by the Indian-imposed blockade.

8. Bitter resentment was felt at the criticism of India's "police action," particularly that voiced by members of the Security Council and certain sections of the British press. India's sensitiveness to outside criticism on this occasion surpassed anything previously known. Perhaps this was due to intense relief felt on all sides that the Hyderabad adventure passed off without serious trouble in the Indian Union and also to the fact that the rapid capitulation both of the State and the Razakars made it abundantly clear that the deterioration in the internal situation in Hyderabad was not merely the work of the Razakars but also that of the State Congress Party and the Communists, whose disintegrating activities India had for so long encouraged or deliberately overlooked.

Communal

9. It had been widely expected that the Indian army's entry into Hyderabad would be the signal for widespread massacres of Hindus inside the State, leading to communal reprisals in the Indian Union. In the event the long-standing communal peace of the State remained unimpaired except for some minor incidents in Secunderabad; while the Indian Union remained in complete peace. This unexpected turn of events was due in part in the Indian Union to the extremely elaborate and efficient precautions taken by the authorities concerned and was accompanied by unanimous protestations of loyalty and support from all political parties and communities, including Indian Muslims; though it seems possible that many of the latter did this rather as a measure of insurance than of conviction. This all led Indian leaders to speak of a turning-point in communal relations in the Union and the laying of the communal bogey. Complacency on this point seems premature while the Kashmir dispute remains unsolved, but there could be no doubt

of the immediate easing of communal tension following on the successful conclusion of the Hyderabad operations.

Kashmir

10. Early in the month the United Nations Commission published its cease-fire proposals together with the replies received from the two Dominion Governments. India's reply was a virtual acceptance, but Pakistan entered certain reservations which prevented an agreement being reached. There was a general lull in the fighting on all fronts throughout the month, but tension between the two Dominions over this issue has in no way diminished for the reasons given in paragraph 2 above. In fact, it has been increased by statements of the kind made by (i) Sheikh Abdullah, that Kashmir is and will remain a part of India, and (ii) Mr. Liaquat Ali Khan, that Kashmir is an integral part of Pakistan. Despite all this, a number of responsible Indians keenly desire a settlement of the dispute and pin considerable hope on the possibility of the two Prime Ministers being able to cut the "Gordian knot" when they meet together in London.

Communists

11. Apart from what has been said about Hyderabad there have been reports of Communist activities in Travancore. After their recent suppression in Malabar, the South Indian Communists seem to have again transferred their attentions to this neighbouring State and were apparently planning an extensive revolt until the authorities became seized of their intentions. Communist infiltrations from Burma into Assam and neighbouring areas are also giving the authorities some anxiety; while the West Bengal Home Minister, when introducing a more than usually draconic piece of security legislation in the Provincial Assembly, declared that the plan formed by the Communists at the South-East Asia League Meeting held early this year in Calcutta for the purpose of creating chaos and the seizure of power by violence all over Asia was obviously now being put into execution. It is probably safe to say that recent events have made the Indian authorities more keenly alive, than ever seemed likely earlier in the year, to the dangerous potentialities of communism in India also. When speaking of the need of liquidating the Communists in Hyderabad, a prominent Indian official recently stated "We are not going to have another Burma there."

Other Political Parties

12. There have been few important developments in the other political parties. The Congress Working Committee, meeting early in the month, considered, *inter alia*, the Congress organisation in the acceding States (where hitherto the party as such has not functioned) and decided on the formation of six new Provincial Congress Committees to cover these areas. The Hindu Mahasabha has been considering its future constitution and the question of the admission of non-Hindus to the party, but no final decisions have yet been reached. The Socialists have announced a ten-year plan for India, based on the abolition of Zemindari and the nationalisation of key industries and Public Utilities, and have also been working to secure the adherence of other minor leftist non-Communist groups. Master Tara Singh, the extreme Sikh leader, continues to campaign for a Punjabi-speaking province, but Sikh politics in general continue to remain as confused and divided as ever.

Indian States

13. Having first used the popular movements in the Indian States to secure the Rulers' relinquishment of all their powers save those pertaining to Constitutional Monarchs, the States' Ministry are now showing an increasing tendency to strengthen their hold over States administrations, in the belief (undoubtedly justified) that they must be reorganised and strengthened before complete power can be placed in inexperienced popular hands. Both in Jodhpur, where the Ruler was assuming a strangely independent attitude to the Indian Union, and in Bikaner also, where the Congress members of the Ministry have resigned, I.C.S. officers of the Ministry of States' choice have been appointed as Dewan and Prime Minister respectively. Again in the Centrally Administered Area of Cutch, which is controlled by the States' Ministry's Chief Commissioner, the recently constituted Advisory Council will have a heavy preponderance of nominated members and will wield no powers of their own.

Dominion Parliament

14. The Autumn Session of the Dominion Parliament ended on 10th September after 33 Bills had been passed dealing with a wide variety of subjects. The absence of any effective opposition largely accounted for the speed and lack of discussion with which even controversial measures were

rushed through. Any points of dispute between Congress members *inter se* were ironed out in private party meetings rather than in the Assembly.

Cabinet Changes

15. Dr. Matthai has been appointed Finance Minister in the place of Mr. Shanmukhar Chetty (who resigned last month); the former's portfolio of Railways and Transport being taken over by Mr. Gopalaswami Ayyangar, hitherto Minister without Portfolio. Mr. K. Santhanam (a Joint Editor of the *Hindustan Times* and a well-known moderate commentator on Foreign Affairs) becomes Minister of State to assist the Minister of Railways and Transport, and two Deputy Ministers (without Cabinet rank) have also been appointed, one of them to assist the Prime Minister and the other as Deputy Minister for Communications. There was much speculation on who would be the new Finance Minister; and it is not without significance that this important appointment has been given to one of Pandit Nehru's closest supporters in the Cabinet.

External Affairs

India and the British Commonwealth and Empire

16. Pandit Nehru's visit to London for the Commonwealth Conference has naturally stimulated discussion on the question of India's future relationship with the Commonwealth. Both the Congress Working Committee and the Congress members of the Indian Parliament (at a private meeting) discussed the matter during the month, but no final decisions have yet been reached. A considerable body of Congress opinion is apparently not unfavourable to the continuance of some form of Commonwealth link, provided a formula, perhaps on the basis of Common Commonwealth Citizenship, can be found to reconcile this with the Objectives Resolution of the Constituent Assembly declaring India to be a Sovereign Democratic Republic. On the other hand, the Socialists and Leftist extremists want India to quit, though the former advocate close co-operation with Britain. All parties and shades of opinion find South African racial discrimination a serious obstacle to the whole *raison d'être* of the Commonwealth concept.

17. India's continued efforts to reach a satisfactory solution to the problem of Ceylon citizenship for Indian nationals in

Ceylon have apparently failed. India has also tried to broaden the scope of the United Nations Committee on non-self-governing territories so as to enable it to demand reports from the Colonial Powers on political developments in territories within their jurisdiction.

18. There is little doubt that anxiety over the threat of communism in Malaya, Burma, Indo-China and most recently in Indonesia has contributed in some measure to an incipient feeling in Rightist circles that it will be difficult for India to stand entirely alone in the world, and that membership of the Commonwealth, or if that is not possible close friendship with it, may possibly offer the best form of insurance against the gathering storms and at the least cost in terms of political commitments. There is, however, still no outward sign of any effort to court the friendship of those powers which are most closely associated with Great Britain in the political field. On the contrary, allegations of malpractices by the French authorities in the French Establishments in connexion with the forthcoming Municipal Elections, which may or may not be true, have already led to a protest "in the strongest terms" to the French Embassy in New Delhi; the Communist revolt in Indonesia has on the surface only led to renewed abuse of the Dutch; and in addition there are signs that pressure on the Portuguese in Goa may be renewed now that the Hyderabad affair has been successfully concluded. Even in regard to international problems in which Great Britain herself is directly concerned, India outwardly maintains her policy of complete neutrality; and in the face of the deteriorating world situation, as illustrated particularly by the Berlin crisis, Indian public opinion remains aloof and almost detached. The cuts made in the "Iron Curtain" (*cf.* paragraph 18 of my last Appreciation) have been somewhat relaxed and the film is now being shown in various Indian cities.

Economic

Economic Crisis

19. Though the Government of India's general programme of anti-inflationary measures had not been revealed by the end of September, certain measures were announced during the month which included the re-imposition of controls both over (i) cloth and (ii) the price, procurement and distribution of foodgrains.

Re-control of foodgrains was particularly necessary to prevent the cultivator from continuing to extract inordinate prices for his produce. Wheat, for example, has recently fetched a price five times higher than that prevailing at the beginning of the war.

20. Perhaps the most important practical attack on this problem so far is the liberalisation of the import of consumer goods from soft currency areas. This has also substantially removed a complaint made by United Kingdom interests against the use of import restrictions for protective purposes, which had been particularly flagrant in the case of drugs and chemicals. The introduction of an Open General Licence for Japan for a similar range of commodities is intended to have a psychological effect on the market even though Japan may not, in fact, have large quantities of consumer goods to export to India, nor be able to export them at prices substantially lower than world ones.

Labour

21. The labour scene does not reveal any immediate prospect of action which may tend to reduce the present inflationary trends. Adjudication awards follow one after the other, each of them placing a burden on industry which is not lightened by any corresponding increase in production. The jute industry award is the most important of the month and, according to reliable estimates, will increase the cost of production of jute goods by Rs. 50 per ton and tax the industry with a total addi-

tional wages bill of about 4.5 crores per annum. If this kind of wage increase continues, not only will inflation continue unchecked, but the capacity of India's manufactured jute to compete in world markets may be seriously prejudiced.

Export Policy

22. In the Dominion Parliament the Minister for Works, Mines and Power recently admitted the Government of India's intention of using certain minerals "to supply us with a sort of bargaining power in the world markets." This seems to be the background to the recent introduction of control over the export of manganese ore, chromite ore and kyanite. Besides these new items the Government of India are also in a position to direct the export of certain other important raw materials such as jute, raw cotton, oil seeds, myrobalans, hides and skins, and mica.

23. The export of this year's quota of raw jute continues to be held up and cannot start until the end of October at the earliest.

Enquiry into Foreign Assets

24. The Reserve Bank is to survey for the Government the extent of "foreign" investment in India. The liability of certain categories of persons to make returns has been notified and it has been announced that the information is required to fulfil India's obligations as a member of the International Monetary Fund.

25. Distribution is for Monthly Appreciation No. 2.

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No. 25

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By United Kingdom High Commissioner, New Delhi

No. 10 for October 1948

(Received in Commonwealth Relations Office, 23rd November)

(No. 163)

New Delhi,
18th November, 1948.

General

October provided a relatively tranquil contrast to the strains and stresses of recent months. With the Hyderabad dispute virtually at an end and with no develop-

ments of any real importance inside Kashmir, events outside India attracted the greatest interest. Foremost amongst these were the meetings of the Commonwealth Prime Ministers in London, on which comment and speculation mainly centred on India's future relations with the Commonwealth. Though there was an obvious

inclination on all sides to avoid any categorical expression of views pending Pandit Nehru's return to India, opinion seems to be swinging round (except amongst the Parties of the Left) in favour of some form of continued association or co-operation with the Commonwealth. The proceedings of the United Nations Assembly and Security Council also attracted much attention; while events in French India, which included the municipal elections and the temporary overthrow of the French administration in the small establishment of Mahé, produced some lively interest at the end of the month.

2. In the field of Inter-Dominion relations, the state of tense feeling which existed in Pakistan in the weeks following the Hyderabad capitulation fortunately evoked no counter-reactions here, though quite a lot was said during the month about the need for strengthening the Union's defences. Unfortunately, however, a former cause of difficulty between the two Dominions re-emerged during the month with a further large influx of Hindu refugees from Eastern Pakistan, which is causing much concern. In the economic field the Government of India announced their detailed plans for combating inflation.

India and the Commonwealth

3. The proceedings of the London meetings were followed with the closest possible interest. The communiqué issued at the end was on the whole well received, particularly the dropping of the word "British" from the title of the Commonwealth. Though comment on the question of India's future relations with the Commonwealth lacked final crystallisation (*cf.* paragraph 1 above), there was a surprising friendliness of tone on all sides during the month towards the United Kingdom. Though the parties of the Left still advocate complete severance from the Commonwealth, other sections of opinion seem to be veering round in favour of some form of continued association with the Commonwealth, provided a formula can be devised to reconcile this with (i) India's clear desire to be a "Sovereign Independent Republic," and (ii) the objections felt in many quarters to the retention of formal allegiance to the British Crown. Some suggest that this might be on the basis of Common Commonwealth Citizenship. The Pakistan Prime Minister's references to the Commonwealth, which have been interpreted as an

indication of the Sister Dominion's wish to stay in, have evoked surprisingly little comment. Furthermore, while considerable interest has been taken in the question of Eire's future status, there has been little attempt to draw any parallel between her position and that of India.

Inter-Dominion Relations (Kashmir and the Hindu Exodus from Eastern Pakistan)

4. The month began, as September ended, with speeches from Indian leaders reaffirming India's determination to drive out the invaders from Kashmir. These declarations were followed by a much-publicised decision of Sheikh Abdullah's National Conference Party confirming Kashmir's provisional accession to India on the basis of a radical reconstruction of the social order of the State. All this, coupled with speeches from the Pakistan Prime Minister that Kashmir forms an integral part of Pakistan, seemed to represent a manoeuvring for position by both sides preparatory to (i) any possible discussions that might take place in London between the two Dominion Prime Ministers on this issue, and (ii) the Security Council's consideration of the U.N.C.I.P.'s report. Hopes were expressed in responsible circles in both Dominions—in India they were made privately—that the meeting of the two Prime Ministers in London would pave the way for a settlement of the dispute. The apparently inconclusive nature of the talks that took place aroused little comment here, and almost everyone for the time being seems at a loss to know what should be done next to resolve the present stalemate. There were no changes of any military importance to report during the month.

5. Another Inter-Dominion cause of friction has been the recrudescence of the influx of refugees entering West Bengal from East Pakistan. About 1½–2 millions are believed to have arrived at intervals during the past 15 months, but grave anxiety is felt in India about the strain which this fresh exodus is imposing on West Bengal's economy. The Provincial Government have drastically reduced the scale of food and other allowances given to refugees in an effort to curb the exodus, and there have been conferences between the Centre, West Bengal and the neighbouring Provinces of Assam, Bihar and Orissa to discuss rehabilitation measures. Indian speakers and the Press attribute the exodus primarily to the political and social

oppression suffered by Hindus in an Islamic State, but independent evidence suggests that the two main causes are (i) the extremely high cost of living in East Bengal and (ii) the sense of insecurity which is still felt by the minority communities alike both in India and Pakistan. Despite these political difficulties, there is more re-assuring news in the economic field, where the Dominion Governments have ratified an agreement for implementing the Mutual Exchange of Essential Commodities Agreement of last May, with particular reference to jute and cotton.

Political Internal

Defence

6. During the last six months there has been a noticeable increase in public interest in the Union's Defences and its Armed Forces generally. This was particularly apparent in October as a result mainly of (i) the general rejoicing over India's success in Hyderabad and (ii) the publicity given to Pakistan's recent measures to improve her defences. Indian leaders and the Press have been stressing the need for strengthening the nation's defences, and have eulogised the Armed Forces in terms which would have sounded strange from nationalist lips before the transfer of power. Even the Governor-General declared cryptically that everyone in India was now war-minded, and much publicity was given to reports of the proposed expansion of the Royal Indian Navy, and developments in the Indian Army.

Hyderabad

7. The process of restoring normal conditions in Hyderabad proceeded steadily during the month. Scattered opposition by Razakars appears to have been largely eliminated, but the Communists in the South East Districts have proved more difficult to round up and operations against them are still proceeding. The Military Government has been reconstituted on a somewhat broader basis; the Military Governor still retains full control but is now assisted by four others holding separate portfolios, namely, the Indian Chief Civil Administrator, the Additional Chief Civil Administrator and two Hyderabadis (one Muslim and one Hindu). The Administration is in process of being reorganised, and, with the lifting of the financial and economic restrictions on the movement of funds and goods from and into

the State, normal conditions are fast being restored. The offices of Hyderabad's representatives abroad are to be wound up and the External Publicity Department has been abolished. The Government of India have disclosed that the Laik Ali Ministry sent about £3 million to Karachi and a similar amount to London during the last twelve months to assist Hyderabad's independence venture.

Communists and Trade Unionism

8. A further sign of the Government of India's increasing awareness of the dangerous potentialities of Communism in India (*cf.* paragraph 11 of Appreciation No. 9) is a decision of the Defence Committee of the Cabinet to constitute a Sub-Committee to review Communist activities throughout India and co-ordinate measures against them. (This has not been made public.) Reports of Communist infiltrations from Burma over India's Eastern frontier have led to increased security measures in Assam and the neighbouring States and also to the constitution of a Special Branch of the Central Intelligence Bureau in Assam. In Calcutta, Communists are believed to have been responsible for an unsuccessful attempt to cut off Calcutta's water supply and to flood the city with sewage water by a lightning strike of some of the Corporation staff.

9. Another event with possibly far-reaching consequences has been the resignation of several prominent non-Communist Trade Union leaders from the Communist-dominated All-India Trade Union Congress (including Mr. N. M. Joshi, its well-known and moderate General Secretary) as a result of the election of a Union Delegate to the Textile Industrial Committee of the I.L.O. being made a Communist Party affair in defiance of a Convention for securing unanimity in the selection of Delegates. At a meeting held in Calcutta of those leaders who resigned, it was decided to call a representative Convention of non-Communist Trade Union leaders to explore the possibilities of establishing a non-party Trade Union organisation.

Other Political Parties

10. (a) *Congress*.—A contested election for the Presidentship of the Congress for the ensuing year was held in October despite the efforts of Dr. Rajendra Prasad, the present Congress President, to secure the withdrawal of the rival candidates in

favour of Dr. Pattabhi Sitaramayya (Madras) and thus preserve the almost unbroken Congress tradition of unanimous elections. Four out of the six candidates eventually agreed to withdraw, leaving Dr. Sitaramayya to score a narrow victory over Mr. Purshottamdas Tandon, President of the United Provinces Congress Party. Little political significance has been attached to the result, which represented more a clash of personalities than anything else; though it is perhaps permissible to conclude that, if the Congress had lost faith in its officially proclaimed ideal of India being a Secular democratic State, Mr. Tandon, who has the reputation of being communally inclined, would probably not have been beaten.

11. (b) *R.S.S.S.* (Hindu Militant Organisation).—There have been reports of an increase of *R.S.S.S.* activities particularly in the United Provinces and Mahalashtra. Besides organising underground activities, supporters of the movement have also been making great efforts by petitions and lobbying to induce the Government of India to lift the ban imposed after Mahatma Gandhi's death. The Government of India have been consulting Provincial Governments on this question and the latter are all understood to be against any unconditional relaxation of the existing orders. Congressmen and Socialists apparently also hold the same view.

Political External

United Nations

12. Apart from the question of her future relations with the Commonwealth, India's chief interest in the field of external affairs has been focussed on the functioning of the United Nations Organisation itself and on the meetings of its General Assembly and Security Council in Paris. In a speech early in the month Sardar Patel declared that the Security Council might more appropriately be called the "Insecurity" Council, and that the United Nations Organisation, if it did not improve itself, would lead the world into a terrific slaughter. This criticism seemed to be a reflection only of India's dissatisfaction with the specific handling of the Kashmir dispute. Her attitude to the work of U.N.O. as a whole was more accurately expressed by Pandit Nehru in a speech one day later when he said that, imperfect as

it was, the United Nations constituted the best hope of world peace.

13. Very detailed accounts have been given of the proceedings in Paris. Particular satisfaction was caused whenever an Indian was appointed to an important position in the United Nations Organisation or its subsidiary bodies, and whenever Indians achieved prominence in debate as, for example, Sir B. N. Rau in the discussions in the Sub-Committee on Atomic Energy.

French India

14. The Municipal Elections fixed for 24th October in the French Settlements in South India had to be postponed in the small Establishment of Mahé, where three days before polling the local pro-India party seized power by force, and requested the Government of India to take over the administration. The latter declined to do this on the grounds that they were committed by agreement with the French to a referendum to settle the future of the settlements; and some days later a French cruiser, sent from Pondicherry, restored French authority without bloodshed. French allegations that the troubles were caused by outsiders from India have been categorically denied by the Indian Government.

15. Meanwhile, in Pondicherry, Karaikal and Yanam, the elections passed off peacefully, and resulted in an overwhelming victory for the Socialist Party, who are opposed to immediate merger with the Indian Union. Allegations of serious electoral malpractices were made by unofficial observers deputed by the All-India Congress Committee to watch the elections. In the remaining settlement of Chandernagore (near Calcutta) the elections held some months ago resulted in a victory for the pro-merger Congress party.

Economic Affairs

General (The Anti-Inflationary Plan and Industrial Relations)

16. The main points of the Government of India's plan to combat inflation are :—

- (i) The elimination of deficit budgeting both at the Centre and in the Provinces and the denial of financial assistance to Provincial Governments to replace revenue lost by prohibition schemes or financial compensation to expropriated Zemindars.

- (ii) The limitation (for two years in the first instance) of dividends of public companies to 6 per cent. of paid-up capital or the average of the last two years, whichever is higher, and postponement for a further three years of repayment of E.P.T. deposits and refundable E.P.T.
- (iii) The liberalisation of depreciation allowances for income tax purposes for existing industries, relief from customs duty on imported plant and raw materials, exemption from income tax for five years for certain new industrial undertakings beginning production before 1st April, 1951, and Central enforcement of uniformity in the regulation of industrial disputes.
- (iv) The regulation of bank advances which might be used for speculation and the encouragement of short-term and small savings investments.

17. The plan seems to have three main objectives. It clearly aims first and foremost at restoring confidence among industrialists. Its second objective is the closer co-ordination and control of financial policy between the Centre and the Provincial Governments. This was one of the main purposes of a Conference of Provincial and States Finance Ministers held at the end of the month which discussed such matters as (a) the distribution of income tax, (b) the organisation of Provincial financial policy in respect of Sales tax, (c) the implications of the abolition of Zemindari, and (d) the scrutiny and grading of development projects. Further evidence of the pursuit of this second objective is the Government of India's decision to set up a Committee to enquire into the financial structure of the Indian States and the newly formed Unions of States with a view to a uniform system of Federal Finance being established throughout the Dominion of India.

18. The plan's third objective is the pacification of labour coupled with the overriding need for increased production without which the present inflationary trends cannot hope to be countered. Evidence of the Government of India's intentions in this sphere are the constitution of

a Tripartite Central Advisory Council to advise on wages and relations between capital and labour (as foreshadowed in the Government's Industrial Policy Resolution of 6th April, 1948), and the promised uniformity in the regulation of industrial disputes (*cf.* paragraph 16 (iii) above). It is important that these proposals should be put into effective operation because indications exist of the possibility of a real deterioration in industrial relations in the near future. With the gap between the Congress and the Socialists widening, demands for wage increases from Socialist-controlled trade unions are being more firmly pressed and coupled with strike threats.

19. During October, however, there were few stoppages of work, the only major exception being a six-day strike of some 20,000 Bombay Port Trust employees which had little political significance.

Industrial Policy

20. A small though significant indication of a more practical attitude towards industrial planning is provided by the report that the system of inviting competitive expert opinions from foreign industrial consultants is likely to replace the old structure of planning committees and panels, which has not proved satisfactory, owing to the lack of knowledge of their members. The most notable use of this new method up to date is the invitation of competitive reports from one British and two American firms on the Government's steel expansion schemes and, in very much the same way, competitive proposals are now being sought from British and American firms of radio and electrical engineers. The Indian Ambassador in Washington is *reported* to have been making speeches aimed at encouraging United States capital for investment in India and hinting that the Government's nationalisation plans need not be taken too seriously. Perhaps some change is taking place in the Indian attitude towards the relative value and availability of Indian and foreign technical and financial assistance.

21. Distribution as for Monthly Appreciation No. 2.

INDIA

MONTHLY APPRECIATION OF GENERAL SITUATION

By United Kingdom High Commissioner, New Delhi

No. 11 for November 1948

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Sir,New Delhi,
15th December, 1948.**Inter-Dominion Relations**

November was largely overshadowed by problems of Indo-Pakistan relations as a result of increased tension over Kashmir and the difficulties resulting from the exodus of Hindus from Eastern Pakistan.

2. *Kashmir*.—During the month Indian Forces undertook successful operations in two sectors, which appear to have caused grave disquiet in Pakistan. In the South-West the beleaguered garrison of Poonch was relieved; while in the North-East Indian Forces stormed the Zoji La Pass (11,500 feet) and subsequently captured the important communication centre of Kargil thus reducing pressure on Leh and also ensuring the security of the Vale of Kashmir from infiltration from the North-East. Interpreting these operations as an all-out attempt by India to force a military decision in contravention of the United Nations Commission's appeal to both parties to do nothing to aggravate the situation, Pakistan made a vigorous reference to the Security Council and threatened counter action if the situation was not quickly stabilised. On the other hand, India claimed that the operations had only local defensive significance and were designed to relieve part of the ceaseless pressure and infiltration by Azad Forces on several sectors of the front since the time the Commission arrived in the Sub-Continent. India has also stated publicly that "there has been no major offensive nor is any such offensive contemplated." By the end of November military activity had again lessened and there were adequate grounds for accepting India's explanation.

3. The United Nations Commission's Report was interpreted in India as a complete vindication of her case and a condemnation of Pakistan's deceit and fraud. Apart from this satisfaction, there was little confidence that the Commission would achieve anything, and public feeling

showed a hardening against any solution based on compromise.

4. *Exodus from East Bengal*.—The continuing exodus of Hindus caused increased ill-feeling in both Dominions early in the month and led each side to blame the other for what was taking place. This was accentuated by a brief outbreak of communal rioting in Calcutta (effectively suppressed by the Provincial Government) and by a speech from Sardar Patel declaring that if Pakistan were determined to drive Hindus away from East Bengal she ought to give India sufficient land to rehabilitate them. The general situation, however, showed some slight improvement by the end of the month as a result of (i) a decline in the rate of the influx; (ii) Pandit Nehru's declaration that his Deputy Prime Minister's remarks implied no threat against Pakistan; (iii) a series of conciliatory speeches by the Pakistan Prime Minister during his tour in East Bengal; and (iv) the announcement that this question would be discussed at an Inter-Dominion Conference early in December. Though the recent influx seems to have been primarily due to economic difficulties in East Bengal, it is unlikely that it will be permanently checked until Indo-Pakistan relations become stabilised on a foundation made sure by the settlement of the Kashmir dispute.

5. In contrast to these developments a party of Sikhs were permitted to visit one of their most sacred Shrines in Western Pakistan on Guru Nanak's birthday. The gesture was much appreciated. Two Inter-Dominion meetings at secretariat level which were held to discuss economic and financial problems reached a satisfactory measure of agreement.

India and the Commonwealth

6. Pandit Nehru told the Constituent Assembly that he had made it clear in his talks in London that it was for them to decide on India's future relations with the

Commonwealth and that there was no question, unless the Assembly so willed, of modifying their Objectives Resolution declaring India to be a Sovereign Independent Republic. The question of relations with the Commonwealth, he said, could be decided apart from the Constitution, and in a subsequent press conference gave as his personal view that in the world of to-day it was not desirable to break contacts and seek isolation. Subject to India being completely independent in fact and in practice, the Commonwealth contact, he said, could bring a number of mutual advantages to all concerned. These remarks were generally well received. Towards the end of November the press reported that the Congress Working Committee and the Congress members of the Constituent Assembly had given general support to the idea of "Republican India" becoming a member of the Commonwealth of Nations, and added that Pandit Nehru had been authorised to proceed with the task of preparing a formula which would govern this new relationship.

Political Internal

Hyderabad

7. Though the Communists have continued to give some trouble in the South-East of the State, conditions as a whole improved a good deal during the month. Evidence from independent sources suggests that, after a number of communal incidents in late September and early October, this aspect of the situation has nearly returned to normal except for occasional scattered incidents. The Military Administration, which is reported to enjoy considerable support and to be functioning efficiently, seems likely to continue in office until a Constituent Assembly can be convened to decide the State's future. Meanwhile, the Nizam has requested the Government of India to continue the present arrangements in regard to defence and communications which, under the stand-still agreement expiring at the end of the month, are being controlled by them. He has also informed the Government of India that Hyderabad's external relations should continue to be their responsibility.

Constituent Assembly

8. The Constituent Assembly reassembled on 4th November to consider the Draft Constitution clause by clause. Progress up to now has been so slow that the President

has been given wide powers to speed up discussion. A meeting of Congress Party members of the Assembly has resolved that discussion on the Draft should be concluded by 26th January, 1949 (Independence day in India before the transfer of power).

Sikhs

9. Relations between Hindus and Sikhs in the East Punjab have shown signs of increasing distrust, mainly owing to the hardening attitude of both communities regarding the safeguards to be given to the Sikhs in the new Constitution. Protracted discussions during the month have failed to produce any firm agreement. Although divided amongst themselves the Sikhs seem to be moving more towards the extremist standpoint of Tara Singh and his Akali Dal; while the Hindus are resentful of the frankly communal approach to the problem taken by the former. Unity is still remote.

Other political parties

10. (a) *Hindu Mahasabha and R.S.S.S.*—The Working Committee of the All-India Hindu Mahasabha have recommended that the party should resume its political activities and restrict its membership to Hindus, thus rescinding decisions taken earlier in the year. This has been strongly criticised and Dr. S. P. Mookerjee, Minister for Industry and Supply, has resigned from the Working Committee and is letting his party primary membership lapse. After consulting Provincial Governments, the Government of India have decided not to lift the ban on the R.S.S.S., the militant volunteer organisation which is closely allied in ideology with the Mahasabha (cf. paragraph 11 of October Appreciation). The general criticism of the Mahasabha and the official attitude to the R.S.S.S. are encouraging anti-communal signs.

11. (b) *Socialists.*—With a view to forming a strong opposition to the Congress, the National Executive of the Socialist Party has decided to reorganise the Party on a much wider basis and to include in its membership Unions of organised labour, peasants and the professions, on the model of the British Labour Party. The Executive has also demanded the abolition of the Princely Order.

Trade Unionism

12. The recent split in the ranks of the Communist-dominated All-India Trade Union Congress (cf. paragraph 9 of October

Appreciation) has led to considerable activity aimed at securing new alignments in the trade union sphere. There are indications that a new trade union organisation may be formed embracing the Hind Mazdoor Panchayat (Socialist), the Indian Federation of Labour (Radical Democratic) and unions connected with leaders of the Forward Bloc and others who recently resigned from the A.I.T.U.C.

External Affairs

Neutrality

13. The veering of opinion towards some form of continued association with the Commonwealth has produced little or no outward change in India's attitude towards international affairs, and public speakers have carefully emphasised that India's foreign policy remains completely neutral. Her determination to avoid siding with either of the two main Power blocs was well illustrated in the speech made on 30th November by Mr. Shiva Rao at Paris during a debate on the veto. While regretting its misuse, he suggested that the legalistic attitude of certain other powers constituted just as much a breach of the spirit of the charter as Russian use of the veto.

"Asia Consciousness"

14. Although deplored by Pandit Nehru, there has been renewed talk of India's leadership of Asia, perhaps arising out of (i) increasing national self-confidence since the settlement of the Hyderabad issue, and (ii) India's incipient consciousness, as the situation in China deteriorates, of her rôle as the main bastion of defence against Communism in Asia. Pandit Nehru, on his return from Europe, criticised the short-sightedness of European statesmen in concentrating too much on European problems and ignoring developments in Asia, though Asia when mentioned in this context often seems to exclude China, about which there is a tendency to feel that India and other outside powers can do nothing.

15. India's wish to see the complete liberation of Asia from the relics of Western imperialism has been reflected this month in several appeals to His Majesty's Government to influence the Dutch to adopt a realistic attitude in their negotiations with the Republic, and to recognise that the days of Dutch rule in Indonesia are over. Pandit Nehru has also invited

Dr. Soekarno, the President of the Indonesian Republic, to visit India "to strengthen the bonds of friendship" between India and the Republic. It is believed that this invitation is the result of prolonged Indonesian pressure for some gesture of goodwill from the Indian side. General approval was also given to Mr. Justice Pal's dissenting judgment in the Japanese War Criminals Trial, suggesting that as far as breaches of international law were concerned there was little to choose between the accusers and the accused.

Subject Peoples

16. India's championship of subject peoples is, of course, not restricted to Asia, and ample scope for the expression of her views on this subject was afforded in the Trusteeship Committee of the United Nations during the debate on South West Africa, when the Indian delegation did their best to bring South West Africa under United Nations Trusteeship. There has been some fairly strong criticism of Britain for her legalistic interpretation of the United Nations charter over this question and to some extent over the question of Indians in South Africa. Feeling against the South African Government itself has, of course, been very strong.

French India

17. In French India peace has reigned since the disorders of last month at Mahe, but there has been considerable activity behind the scenes. Representatives of the pro-merger parties have been in close contact with the Government of India and have encouraged their supporters in the Settlements to believe that the holding of a referendum to decide their future will not in the end be necessary.

Economic Affairs

The Anti-Inflationary Plan

18. During the month the following steps were taken to put into effect the anti-inflationary plan, which was described in the monthly Appreciation for October:—

- (i) An order to all departments of the Government to cut by one-third the sums budgeted for expenditure on development.
- (ii) The amendment of the Government of India Act to enable the Central Government to hear appeals

- against and review the decisions of Provincial tribunals which have done much to import chaos into the structure of wages and the interpretation of industrial policy.
- (iii) The freeing from import licensing restrictions of a number of commodities considered to be luxuries and the simultaneous imposition on those commodities of extra import duties.

The first step is not likely to prove so drastic in practice because planning, especially on big projects, has been far more optimistic than facts warrant. The second step might have been expected to act as a stimulant to industrial confidence, but instead the stock exchanges have continued to be dull and money is not coming forward for investment either in industrial enterprises or in Government bonds and securities. Both the Governor-General and the Deputy Prime Minister have called on industrialists, labour and investors to adopt an attitude more consistent with the economic needs of the country.

Commercial Policy

19. Not only have import duties (*cf.* paragraph 18 above) been raised (in some cases for the second time this year) for revenue and anti-inflationary purposes on a range of commodities which includes motor cars, tobacco, artificial silk and toilet requisites, but there has been a disturbing resort to a very heavy protective duty in the case of motor car batteries, which are now assessed to a duty of 80 per cent. preferential and 87½ per cent. standard compared with the former rates of 36 per cent. preferential and 45 per cent. standard. Twenty per cent. of this increase has been imposed as the assessed value of consumer prejudice against the indigenous product.

20. At the time there has been a move towards a reduction in export duties and attention, notably at a recent meeting of the Export Advisory Council, has been turned to export promotion, with particular emphasis on India's need for dollars.

Speaking at this meeting the Commerce Minister made the following points:—

- (i) There has been an alarming decline recently in India's dollar earnings.
- (ii) Essential commodities such as manganese, jute, steel and cloth which are in short supply internally have to be exported to secure reciprocal imports (*e.g.*, cotton and jute from Pakistan and wheat from Australia).
- (iii) India is enlarging her field of trade negotiations with other countries which now include Australia, Belgium, Yugoslavia, Czechoslovakia and Hungary.

The Commerce Minister also stated—and this was of particular significance to the United Kingdom—that export licensing policy was not in any way influenced by national or sectarian considerations. As a promise for the future this is very welcome. It is not, however, in line with the past policy of his Ministry which has employed the machinery for licensing the export of jute and oil seeds to direct much trade into inexperienced and incompetent Indian hands.

Industrial Relations

21. Industrial relations have continued to be uneasy, mainly because of the rising cost of living. The Socialists, who are increasingly critical of the Government's labour policy, have indicated that further support of the Industrial Truce will be possible only if practical measures are initiated to ease the burden resting on labour. In addition, the refusal of the Central Government to grant Government employees cost of living increases in accordance with the recommendations of the Central Pay Commission, 1947, has led to a general strike being threatened by railway and postal employees whose Unions have been asked to conduct strike ballots. If the ballots favour it, a strike would probably take place in February or March next. The Dockworkers too have decided to take similar action.

22. Distribution as for Monthly Appreciation No. 2.

CHAPTER II.—PAKISTAN

(A) Miscellaneous

C.R.O. ref. POL. 6369
F.O. ref. F 1487/76/G

No. 27

INDO-PAKISTAN RELATIONS

Sir L. Graftey Smith to Mr. Noel-Baker. (Received in Commonwealth Relations Office, 26th January)

(No. 17 (S9))

Sir, Karachi, 14th January, 1948

In Foreign Office telegram to Beirut No. 752 of 6th December, 1947, which was repeated to His Majesty's Representatives at Ankara and in Arab countries, guidance was given on the answer to be made to suggestions by Malik Firoz Khan Noon that His Majesty's Government have failed to give Pakistan due support against hostile Indian pressure. The directive given on this subject contained the following sentence: "It is absurd to suggest that this great Muslim State is so weak that it cannot survive without outside help, or itself reach a reasonable settlement with India."

2. The attitude prescribed in this Foreign Office telegram is, of course, that to which His Majesty's Government in the United Kingdom have steadily conformed since the date of partition. The Pakistan Government's appeal for a practical manifestation of Commonwealth interest in Indo-Pakistan tensions was resisted, and at the same time every effort was made to prevent an appeal by Pakistan to the United Nations Organisation. It has been the policy of His Majesty's Government to consider no alternative approach towards settlement of these inter-Dominion differences to that of direct confrontation of India and Pakistan, with no mediation by third parties except at the request of both Dominions.

3. I understand that the machinery of consultation between Members of the Commonwealth is not intended to invade their domestic jurisdiction or interfere with their relations between themselves. It is, however, important not to forget that neither India nor Pakistan is a Dominion in any sense in which we are accustomed to use the word. Their assimilation to the older Dominions is titular, only, and they are only called Dominions as the result of what was, in effect, a political device. They do not think in the same way as the older Dominions, and methods of approach appropriate to the older Dominions are not necessarily suitable in their case. It is by

no means impossible that the formal association of Pakistan, at any rate, with the Commonwealth can be maintained, but we must, in my opinion, show some elasticity in our conception of this association, and the development requires careful and sympathetic nurture. These are considerations which His Majesty's Government have every right to reject, but I would like to suggest that a situation which finds one member of the Commonwealth actively working for the discomfiture of another is not one of common precedent.

4. I understand, also, that in this matter Pakistan is assumed in London to have claimed the support of other Commonwealth countries against India, overlooking the fact that India is equally entitled to the sympathy and good offices of the Commonwealth in her troubles. As regards this assumption, I think it only fair to remind you that Pakistan's invocation of the sympathy and assistance of the other Members of the Commonwealth was made in the most general terms, and that any suggestion of an intention to "put India in the dock" has always been hotly resented by the Government here. An invitation to other members of the Commonwealth "to consider effective ways and means of saving the situation," "to consider the question in all its aspects" and "to discuss the whole matter" (which were the phrases used in the various messages from Karachi to London) can hardly be condemned as ignoring India's case. This case, as you know, had found expression in many and violent accusations against Pakistan, of which Pakistan welcomed the impartial investigation.

5. If I have wearied you with representations in support of Pakistan's appeal to the Commonwealth, it is because I have never shared the conviction that accommodation between the two Dominions is possible without some further encouragement from outside. This may be pessimistic, but it cannot be considered as surprising. Mr. Jinnah and his friends wanted partition and Pakistan, and have

got much of what they wanted. The Indian leaders were opposed bitterly to the conception of Pakistan and partition, and they may be not unreasonably assumed to resent the fact of amputation. They do not conceal their ideological hostility and appear to be diligent in attempting to obstruct the growth and consolidation of Pakistan. The two Dominions are of very unequal influence and weight, and full use has been made by India of her massive advantages.

6. I have read with interest the detailed statements of recent inter-Dominion relations prepared for the use of the United Kingdom Delegation to the United Nations in New York. I think it difficult for anyone studying this history of post-partition developments to remain of the opinion that India and Pakistan can reach a reasonable settlement of their differences without outside help, because the record of unscrupulous exploitation of geographical opportunity and superior strength by India against Pakistan seems to me to be unrelieved by any but the rarest glimpses of friendly good-will, and the frustration by India of Pakistan's efforts towards accommodation and settlement appears to be constant.

7. As is made clear in the summaries prepared for Sir Alexander Cadogan and his staff, the initiative in inter-Dominion discussions of ways and means to diminish the shock of the Punjab tragedies was always taken by Pakistan. It was the Pakistan Prime Minister who called for an impartial examination by Commonwealth friends of Indo-Pakistan differences and who, later, proposed to New Delhi a joint submission to the United Nations Organisation. On 5th October Pakistan welcomed discussions with India regarding the conditions governing the accession to one or other Dominion of "Junagadh and other States." India repudiated this formula. India's action in respect of Junagadh was, indeed, Hitlerian in conception and execution, but fortunately Pakistan's reactions were marked by patience and considerable self-restraint. India's effective refusal to give Pakistan a fair deal in the vital matter of the division of military assets was so blatant that the Supreme Commander's resignation became inevitable, and the machinery of the Joint Defence Council and Field-Marshal Auchinleck's neutral organisation was thus untimely wound up. Before any incursion of tribesmen into Kashmir occurred, invitations to the Maharajah and his Government to discuss

outstanding differences were made by Pakistan, without response, at a time when Kashmir's relations with India were being actively discussed in New Delhi. The latest episodes in this story of unequal contest are the repudiation by India of the financial agreement reached in Delhi between the two Dominions; the Indian Government's pressure on the Reserve Bank of India to deny to Pakistan normal financial facilities, and what amounts to economic warfare, conducted by the Indian Customs' authorities in Bombay. The background, throughout this dark period, has been provided by a series of speeches by Indian leaders indicative of their intention never to recognise partition, and it is difficult to recall any single public utterance by any Hindu leader since August last which suggests that it is in any way the duty of the Indian Government or its people to accept whole-heartedly the fact of partition and to abstain from hostility towards Pakistan. The pronouncements of Sardar Patel, the Vice-Premier of the Indian Union, which have been particularly venomous, have never been disowned by any other Hindu leader.

8. On the other side of the picture we find a spate of oratory of hardly less violent tone, albeit mainly defensive in tone, by Muslim leaders; an ill-advised decision to impose a Customs' duty on jute entering India from East Pakistan, and, of course, strong partisan support for, and much official complicity in, the activities of the tribesmen fighting in Kashmir and of the Azad Kashmir Government and forces. These are not admirable manifestations of statesmanship, but I cannot help thinking that, on balance, the moral scale weighs heavily against India.

9. I am not anxious to suggest, however, that His Majesty's Government in the United Kingdom should now apportion blame or judge the issues between India and Pakistan in the light of greater or less stupidity or malice. Things have gone too far, and the immediate necessity is to stop the fighting in Kashmir. India, having bitten off rather more than she can chew in Kashmir, has appealed to the United Nations in order to get the fighting stopped without further loss of face, and this appeal offers blessed hope of a decision of reason and of a halt in the distressing process of deteriorating relations. But the main element in that hope is, in fact, the intervention of a third party in the dispute, and I feel that this to some extent justifies

me in venturing, as I have done above, to question the directive officially given, to His Majesty's Representatives abroad, that "it is absurd to suggest that Pakistan cannot itself reach a reasonable settlement with India."

10. I am sending a copy of this despatch to the United Kingdom High Commissioner, New Delhi.

I have, &c.
L. B. GRAFFTEY SMITH,
High Commissioner.

C.R.O. ref. POL. 209/48
F.O. ref. F 1506/6/85

No. 28

PAKISTAN'S ASSISTANCE TO KASHMIR

Allegations by Pandit Nehru

Sir L. Grafftey Smith to Mr. Noel-Baker. (Received in Commonwealth Relations Office, 26th January)

(No. 22 (339). Secret)
Sir, Karachi, 16th January, 1948

As you are aware, I recently asked my Deputies at Lahore and Peshawar to examine and report on Pandit Nehru's allegations of vast training camps and concentrations of tribesmen in the North-West Punjab. I have now received reports from them both on their recent visit to Rawalpindi. These are lengthy and, inevitably, repetitive, but I think it best that you should have them in full. I therefore enclose copies of Mr. Duke's letters⁽¹⁾ (in full or in extract) of 9th, 11th or 12th January, together with copies of an extract⁽¹⁾ of the relevant paragraphs in a letter from Mr. Stephenson of 8th January. If time does not permit perusal of both the longer reports, Mr. Duke's will be found to be the more succinct; Mr. Stephenson's contains rather more detail.

2. It may be useful if I attempt to summarise the impressions I have received from these reports and from conversations here:—

(a) *Troops fighting in Kashmir*

I believe it safe to assume that a maximum of 15,000 tribesmen, of whom a fair proportion are Afghan Powindahs, are actually involved in the fighting. This is a long way below Nehru's figure, but it should be recalled that the latter probably includes the very considerable number of Poonchis fighting in Jammu, whom the Indian authorities have consistently tried to include in the general term of "raiders." There are almost certainly no real training camps on Pakistan territory; but the coincidence between Nehru's reference to

100,000 tribesmen under training in Pakistan and Sardar Mohammed Ibrahim's recent statement—reported to you separately—that the Azad Kashmir Government had 100,000 tribesmen in training in Mirpur, Muzzafarabad and Poonch, is of interest. There are undoubtedly staging camps, occupied by tribesmen and migrant powindahs on their way to and from Kashmir; these are, however, in no sense military training camps, but a necessary and not unreasonable measure of self-defence adopted by the authorities. The direct participation of serving Pakistan military personnel is, I think, negligible, though there is the flagrant case of "General Tariq." General Messervy himself admitted to me some weeks ago that one of his Staff Officers had been placed on "special duty," but he would not give his name; this is the man. I asked Mr. Ikramullah, Secretary in the Foreign Affairs Ministry, last week whether "General Tariq's" identity would not prove embarrassing if spotted by U.N.O. or India. He said that the Pakistan Government would have formally dismissed him before then!

(b) *Equipment*

I have no doubt that, whatever the senior Pakistan officers—British or Pakistani—may say, the leakage of Pakistan equipment through junior Army and Police officials is appreciable. It is, on the other hand, safe to assume that no really heavy equipment has passed across in this way, and references to Pakistan artillery, armoured cars and

⁽¹⁾ Not printed.

so on involved in the fighting can be discounted. Indian troops have lost a lot of material in their various reverses.

(c) *Other Assistance*

There is no doubt, as pointed out by Mr. Duke, that petrol, transport and food have been provided by local authorities in the Frontier Province and the West Punjab. Here again, however, it can be argued with some practical, if little moral, justification, that this was a measure of self-defence, for refusal to provide this assistance might have involved a tribal war, or at least the sacking of local bazaars, as has indeed happened already on at least one occasion. In fact, of course, the local authorities have been far from reluctant to do what they could to help, but the argument, nevertheless, retains some force.

3. The new theory mentioned by Mr. Stephenson and Mr. Duke, that the original invasion was engineered by Congress through the "Red Shirts," is interesting, following on Sir Terence Shone's despatch No. 2 of 7th January, 1948, forwarding Mr. Hadow's tour report, which records a similar rumour. It is the first I have heard of this, and I agree with Mr. Duke's comments. A more plausible fable would have been that the Congress engineered the invasion in order to give themselves a colourable pretext to send the Indian Army into Kashmir. It is certain, however, that Red Shirt influence with the tribes was never strong enough to produce a movement

of this sort; and, even were the story true, its production at this stage would—as Mr. Duke points out—shatter the main Pakistan case, that this was a spontaneous tribal incursion.

4. To my mind, the principal feature that emerges is the very great gap between the policy proclaimed—and doubtless sincerely—by the Pakistan leaders and the performance of their subordinates; and I include in the term "subordinates" such locally influential persons as the Prime Minister of the North-West Frontier Province, whose rôle throughout seems to me to have been almost treacherously equivocal. It is this indiscipline that is likely to embarrass Pakistan in the representation of their case, and its effects will be even more serious should there be any extension of the conflict. How far, for instance, Pakistan could control the tribes, while at the same time resisting an Indian invasion of the West Punjab, must be very doubtful, and the comment in the extract enclosed from Mr. Duke's letter of 11th January is very pertinent. Mr. Stephenson's estimate of Nehru's intentions may be correct, but, once fighting started, it could hardly be confined to the Jammu border areas of the West Punjab, and a really large-scale tribal *Jehad* against the East Punjab would inevitably result.

5. I am sending a copy of this despatch and enclosures to the United Kingdom High Commissioner, New Delhi.

I have, &c.

L. D. GRAFFTEY SMITH,
High Commissioner

F 4870/517/97

No. 29

AFGHAN-PAKISTAN RELATIONS

Sir G. Squire to Mr. Bevin (Received 2nd April)

(No. 34. Secret)

Sir,

Kabul,

20th March, 1948.

The announcement of His Royal Highness Shah Wali Khan's appointment as Afghan Ambassador in Karachi, reported in my telegram No. 40 of 28th February, has had a good effect in Afghanistan as well as in Pakistan. When the announcement of the decision to exchange Embassies was first made, the Afghan press, while welcoming the appointment, again urged that their demand for self-government for the North-West Frontier Province should

be pressed. In this connexion, I enclose a summary of the leading article which appeared in the *Islah* of 29th February. But since it has been known that the new Ambassador will be Shah Wali Khan, the sponsors of the agitation have not dared to offer any further advice and the subject has been entirely dropped.

2. Shah Wali Khan proposes to leave for Karachi on 26th March. How long he will stay there remains to be seen. The Afghan Royal Family is very much under the influence of its ladies and Shah Wali Khan's

wife will probably object strongly to leaving Paris for Karachi; and if on his arrival in Karachi, Shah Wali Khan sees that he is unable to make any headway in the furtherance of Afghan policy, or if he finds the Pakistan Government as unbending and legalistic as the Afghan Government is already inclined to complain that it is, I doubt if he will consent to stay. This would be a tragedy for Pakistan, as, I understand that Salahuddin Saljuki is also to be appointed to the Embassy with the rank of Minister and in that case he would naturally step into Shah Wali Khan's place. Saljuki was for many years Afghan Consul-General in Delhi, is clever but untrustworthy and acquired in India a reputation for extreme unfriendliness to Britain and India alike.

3. A further factor which may well influence developments, is the announcement made on Thursday, that the status of the American Legation in Kabul is being raised to that of an Embassy. The transfer of Sardar Mohd Naim Khan from London to Washington was probably decided on in view of this impending change. The Afghan Government much hope that the British and French Governments will follow suit and this would be a further inducement to Shah Wali Khan to return to Paris, where he would no longer be junior to all other Ambassadors, many of whose countries Afghanistan regards as inferior to herself. The French Government have just promoted Shah Wali Khan to be a Grand Officer of the Legion of Honour and would, I believe, like to retain him as their Ambassador. The uncertainty of the future status of the British and French Legations may well account for the Afghan Government's delay in nominating fresh representatives for these posts.

4. I am sending a copy of this despatch to the Secretary of State for Commonwealth Relations and to the High Commissioners in Karachi and New Delhi.

I have &c.

G. F. SQUIRE.

Enclosure in No. 29

*Summary of the leading article in the
Isk of 29th February, 1948*

*Afghan and Pakistan Ambassadors at the
courts of Kabul and Karachi.*

The Bakhtar News Agency reports that it has been agreed between the Governments

of Afghanistan and Pakistan that Ambassadors should be appointed at their respective capitals.

From the point of view of future friendly relations between the two Governments this news is most important, and we hope that this decision will have valuable consequences; for Afghanistan has always been anxious for the most sincere and friendly relations with her neighbours.

Afghanistan is one of the countries which sincerely welcomed the coming into existence of Pakistan. The reason why diplomatic relations were not established as quickly as they ought to have been was due to the delay caused by a misunderstanding regarding the Afghan desire for the recognition of the special identity and desire for freedom of the Afghans living east of the Durand Line, a misunderstanding which led to accusations that Afghanistan wished to annex this territory, or was acting on the instigation of others.

In order to remove this misunderstanding, Afghanistan sent a special representative to Karachi and to-day has agreed to send an Ambassador to Karachi and receive an Ambassador from Pakistan, in order that her special request may be renewed and confirmed by discussion through the Ambassadors in Karachi and Kabul.

The duties of the Ambassadors in Afghanistan and Pakistan are very important because these two countries ought, in the future, to be fast friends and this friendship can be strengthened by means of the two personalities, who will be appointed by the two countries. But this object will not be achieved until the two countries have reached an agreement on the frontier problems (especially on that of the Afghan people and districts east of the Durand Line) which will not disregard the rights of either side or wound the susceptibilities of either people. For this reason we hope that our Ambassador in the court of Pakistan will pay special attention to this request of ours, so that the reasonable desire of the people of Afghanistan, which is the object of the present establishment of our Embassy, may be pursued in a friendly way through diplomatic channels; for the people and Government of Afghanistan are convinced that these negotiations can be carried on by means of accredited Ambassadors more effectively and more speedily than by indirect correspondence.

Afghanistan, has, throughout the course of her history, proved that she is a peace-loving State and desirous of establishing friendly relations with her neighbours. For Pakistan, therefore, the opening of diplomatic relations between the two countries is a great opportunity for the settlement of outstanding questions with Afghanistan,

especially of that of the Afghans on the frontier, on a basis which recognises the mutual rights of both sides: for the spiritual bonds between Afghanistan and her brothers of the frontier are so strong that no understanding which is not based on the acknowledgment of their rights can be successful.

F 5377/517/97

No. 30

RELATIONS BETWEEN AFGHANISTAN AND PAKISTAN

Sir G. Squire to Mr. Bevin. (Received 13th April)

(A 9/137/48).

(No. 45. Confidential)

Kabul,

Sir,

3rd April, 1948

In my despatch No. 40 of 1st April, I have reported the impending departure of His Royal Highness Shah Wali Khan as Afghanistan's first Ambassador to Pakistan. His task of establishing friendly relations between the two countries will be one of no small delicacy and will not be assisted by present activities on either side of the border. It is true that in Kabul itself, the Government have latterly refrained from all publicity that might cause offence to Pakistan, but it appears that either they, or their local officials without their knowledge, have by no means ceased from local agitation on the frontier, in favour of the Pathanistan idea which is so much disliked in Pakistan. Afghan emissaries are still reported to be going about in tribal territory to secure support for an independent Pathanistan; and pamphlets said to have been lithographed in Jalalabad, on a machine provided from Kabul, are being distributed among the tribes. These cause serious resentment in Peshawar. In reply scurrilous pamphlets are being issued in the North-West Frontier, attacking the Afghan Ruling Family and are being distributed in Afghanistan. The Afghan Government complain and say that rejoinders are inevitable. These all make for bad blood and do not improve the chances of a reasonable settlement. I have tried to emphasise to both sides the desirability of stopping all such propaganda if possible.

2. Unfortunately, Pakistan officials, both in the North-West Frontier and in Afghanistan, feel so strongly on the subject that they find it difficult to exercise an unbiassed judgment and are always pre-

pared to believe the worst about Afghanistan. For instance, they firmly believe and say openly, that the Afghan Government is receiving large sums of money from India to dissuade the tribes on both sides of the border from joining the fighting in Kashmir. I myself doubt whether there is any real foundation for such reports.

3. The situation in the North-West Frontier itself is not likely to make matters easier. Sir George Cunningham's unfortunate illness and enforced retirement raises the difficult question of a successor and must have an unsettling effect on the whole tribal area. There is no doubt that the Pathans would strongly resent the appointment of a Punjabi as Governor, and this fact, which is well known, only accentuates the bitterness felt against the Pathans in general and the Afghans in particular, by the Punjabi officials who form the bulk of the Pakistan Government.

4. It appears also that the Pakistan Government are still feeling aggrieved over Najibullah Khan's recent broadcast speech, which in Kabul itself has almost been forgotten. I understand that Pakistan is considering a proposal to reopen the matter when Shah Wali Khan arrives in Karachi and to insist that, unless he is prepared publicly to withdraw some of the allegations which are considered to be untrue, they will themselves issue official denials. Nothing could be more unfortunate or more prejudicial to the success of Shah Wali Khan's mission.

5. I am sending a copy of this despatch to the Secretary of State for Commonwealth Relations and the United Kingdom High Commissioner in Karachi.

I have, &c.

G. F. SQUIRE.

RELATIONS BETWEEN AFGHANISTAN AND PAKISTAN

Sir G. Squire to Mr. Bevin. (Received 28th April)

(No. 53. Secret)

Sir, *Kabul, 16th April, 1948*

In my telegram No. 90 of 10th April I indicated some uncertainty as to the Afghan Government's real intentions in their policy towards Pakistan. There seems to me little doubt that Indian political interests, if not the Government of India itself, are doing their best to ensure that dissensions on the North-West Frontier, combined with the troubles in Kashmir, bring about the downfall of Pakistan, but it is less easy to say to what extent, if any, Afghans or the Afghan Government are a party to this intrigue. The Pakistan Embassy and Pakistanis in Afghanistan generally are convinced that the Afghan Government are in fact supporting it wholeheartedly, and it must be admitted that certain Afghan activities tend to substantiate this view. During the past week, however, I have had long conversations with Ali Mohd, the Foreign Minister and with Sardar Mohd Hashim Khan the ex-Prime Minister whom I invited to lunch. These two represent the saner elements in the Afghan hierarchy, and as a result of my talks I feel sure that no important elements of the Afghan Government are deliberately working with India for the disruption of Pakistan. It would, indeed, be quite unnatural for Afghans to work with Hindus against their fellow Muslims.

2. Ali Mohd, as a member of the existing Government, has always been very discreet, though he has hinted on more than one occasion that there are members of the Government who hold much more violent views than are reflected in the Government's official policy. Hashim Khan, however, was more outspoken, and though he expressly said that as it was now nearly two years since he gave up the premiership, he did not wish to be considered as giving any official opinion, he made it quite clear that he disagreed very strongly with much that is going on. In his time, he said, there was one policy and one policy only. Now, there seemed to be at least a dozen different policies all being recklessly pursued at the same time.

3. From these conversations it seems to me that there are three major elements

responsible for the present policy or policies, the "Government," what I might call the United Pathanistan Party and the Prime Minister himself:—

(a) The protagonists of the official Government policy are represented by Ali Mohd himself, by the Ministry of Defence, by Shah Wali Khan, the ambassador designate to Karachi, and by the more Conservative elements in the Cabinet. These all realise how essential it is that Afghanistan and Pakistan should work together and do all that they can to establish good relations. This is not to say that they are not sympathetic to the idea of Pathan unity and severely critical of Pakistan's policy in Kashmir. They decline to believe that the Pakistan Government is not secretly supporting and financing the so-called "Azad Kashmir Government" and resent the employment of tribesmen and, in particular, the inducements offered to their own tribes to join in the fighting. Afghan policy in the last few years of co-operation with the Government of India has aimed at the gradual civilisation and ultimate disarmament of the tribes, and they see in Pakistan's policy a complete and most dangerous reversal of this policy which they fear will have disastrous results both for themselves and Pakistan. They are also critical of His Majesty's Government's refusal to negotiate a settlement of the frontier question before the transfer of power in August last.

(b) The Pathanistan Party, represented by Najibullah Khan and the Press Department, including its head, Salahuddin Saljuki, now appointed as counsellor in the Afghan Embassy in Karachi, goes much further and has been allowed much too great latitude in expressing its views in public. It is this group which privately harbours irredentist views and which is only restrained from openly agitating for the return of the tribal territories and the North-West Frontier to Afghanistan by the influence of the less irresponsible members of the Government. They have, however, been allowed in pursuance of the Pathanistan chimera to intrigue with Abdul Khaffar Khan and his agents, in particular the notorious Mr. G. L. Puri, now returning to Afghanistan with the

Indian Embassy, and to irritate Pakistan by their ill-judged articles and representations on behalf of their so-called "Afghan brethren east of the Durand Line." They refuse to see that by so doing they are playing into the hands of Pakistan's enemies and greatly harming their own interests. After the failure of Najibullah Khan's mission in Karachi, the Government had succeeded in imposing a ban of silence on the party. This silence has now, unfortunately been broken; I do not know whether Afghans or Pakistanis were primarily responsible. Each side accuses the other. Peshawar has issued two most scurrilous leaflets attacking the members of the Royal Family which have been bitterly resented. The Afghans have on their side revived the Pathanistan campaign and have apparently been distributing leaflets in the North-West Frontier Province. It seems improbable that this has been done without the assistance of the Press Department, who have certainly been responsible for the long series of articles on Pakistan and the frontier, which are now appearing daily in the so-called unofficial newspaper *Anis* and of which I enclose a summary.^(*) These articles are anything but flattering to the British, though obviously they are not intended to be deliberately hostile, but will undoubtedly arouse further animosity in Pakistan and have an unsettling influence on tribal opinion on both sides of the Durand Line.

(c) The third and most incalculable factor in the situation is the Prime Minister himself and the Tribal Directorate which he controls. Shah Mahmud has always played his own game with the tribes, and when he left the Ministry of Defence to become Prime Minister he transferred the Tribal Directorate from that Ministry to himself. His policy has, I believe, been designed merely to maintain his influence among the tribes and to ensure that whatever happens they will not cause trouble for the Afghan Government. He does not so much mind what happens as long as this object is achieved. He stands perhaps midway between the other two parties, opposing intervention in Kashmir because of the risk that the tribes will get out of hand, but supporting opposition to Pakistan and intriguing with the tribes to that end in the hopes of thereby increasing his influence with them. It was apparently he who opposed

Pakistan's admission to the U.N.O. in spite of his own Government's instructions, and it is he who sends his agents to the Faqir of Ipi and elsewhere in tribal territory to fish in troubled waters.

4. It is this lack of a single firm policy which has so disgusted Hashim Khan, that he has advised his two nephews, Naim Khan and Daud Khan to accept appointments abroad and has decided himself to leave the country with the latter with, I think, no intention of returning unless there is some radical change of policy. He considers that the Government is proceeding far too fast and said to me caustically: "What is the use of running if you have no idea where you are going." He obviously objects very strongly to the irresponsible press campaign and to the failure to curb the more irresponsible elements, which he is convinced could have been done without difficulty. He does not anticipate that there will be serious trouble before the autumn of this year, especially as the country is lucky in the prospect of excellent crops which will go some way to allay popular discontent. He, however, fears, as always, Russian fishing in troubled waters, and urged Colonel Lancaster, who was also present, to do an early tour in the north of the country to see for himself what is going on. He also begged me to take the opportunity of the interview which I should shortly have with the King to present my new credentials, to warn him seriously of the dangers of not coming to a firm and immediate understanding with Pakistan, adding the request that I should on no account mention that he had made this suggestion.

5. I have discussed the position generally with Khan Bahadur Kizilbash, the Pakistan Chargé d'Affaires, and understand that he has recommended to his Government that steps should be taken to put a stop to the scurrilous leaflet campaign being carried on from Peshawar. The setting up, however, of the Indian Embassy will inevitably lead to further trouble. If the diagnosis which I have made above is correct, they will undoubtedly start intriguing in Kabul and will do their best to provoke suspicion and enmity between this country and Pakistan. Pakistan has certainly been very ill advised to have delayed so long the nomination of her Ambassador and to have made no serious efforts to put her relations with Afghani-

(*) Not printed.

stan on a firm footing during the past nine months. The task will now be far more difficult. Hashim Khan fully realises the difficulty and even danger of the situation; and before leaving stressed that the task of His Britannic Majesty's Minister would be more important and far more delicate than before. I think he gravely mistrusts Shah Mahmud's capacity to control the situation and fears that with the departure of Daud Khan from the Ministry of Defence, the army, too, will fall entirely under Shah Mahmud's control, and may well take sides in tribal intrigues and be led into unwise adventures on the frontier with incalculable results. Hashim Khan

ended by saying that he would in future be spending his time principally with his two nephews either in Paris or in Washington, and that if his advice should be needed in any critical situation that might arise, he would always be very pleased to give it unofficially to His Majesty's Ambassador in either place.

8. I am sending a copy of this despatch to the Secretary of State for Commonwealth Relations, and to the United Kingdom High Commissioners in New Delhi and Karachi.

I have, &c.

G. F. SQUIRE.

C.R.O. ref. : POL 6369/48
F.O. ref. : F 7225/76/G

No. 32

INDO-PAKISTAN RELATIONS

Mr. Noel-Baker to Sir L. Grafftey-Smith (Karachi)

(No. 17. Top Secret)

Commonwealth Relations Office,

Sir, 13th May, 1948

I have the honour to refer to your Despatch No. 17 of 14th January, 1948, regarding the attitude of His Majesty's Government in the United Kingdom towards Pakistan in her disputes with India.

2. The telegram from the Foreign Office to Beirut No. 752 of 6th December, 1947, should not be regarded as a formal statement of policy. It was designed for a particular purpose, namely, to make available to His Majesty's Representatives in the Arab countries, for use at their discretion, a means of counteracting propaganda being put about by a representative of Pakistan of a sort which might have a general adverse effect upon the situation at that time unless it were disposed of with some vigour.

3. At that time our policy was based on the belief that no third party could make its intervention effective and that in those circumstances the two Dominions were less unlikely to settle their differences by direct negotiations between themselves than if a third party were present who could be blamed for their failure to agree, particularly if the third party were the United Kingdom. We therefore discouraged attempts to secure an intervention, which, by causing resentment in India, might reduce what prospects there were of direct

discussions between the two Dominions and which would therefore be untimely. This governed our attitude both to Pakistan's appeal to the other members of the Commonwealth in September and to her idea of an appeal to the United Nations in connection with the Punjab disturbances.

4. But as soon as it became clear, last Christmas, that further direct discussions on the Kashmir issue at that time were useless and that unless some third party intervened the two Dominions might be at war in a matter of days, we exerted our influence to its fullest extent in favour of a reference of the matter to the Security Council; and we persisted throughout in seeking to persuade the Security Council to assist the negotiation of an agreed settlement of the Kashmir dispute on lines which do justice so far as possible to the legitimate claims of both sides.

5. The early discussions in the Security Council did, in fact, produce a great *détente*; and if when the Council resumed consideration of the dispute, on the return of the Indian Delegation early in March, more of the Council's time had been available, there was a distinct possibility that an agreement in principle between the Indian and Pakistan Delegations might have been reached for reference to their Governments. There was still hope of that until 3rd April, when the Indian Delegation received revised instructions. The reference of the dispute to the Security

Council was thus by no means wholly ineffective.

6. It has had to be, and must constantly be, borne in mind that the Security Council would not be able to impose on the two Dominions a settlement which was not accepted by both of them, although it can bring to bear on them the pressure of world opinion to accept a reasonable compromise and assist negotiations by mediatory processes. It was for this reason that the conclusion of the Council's deliberations on the Kashmir dispute took the form it

did. In the last resort a settlement depends on the two Dominions themselves, and it is desirable that no opportunity should be lost to bring this home to them and discourage them from hoping that the United Kingdom Government can be persuaded to take sides in their quarrels.

7. A copy of this Despatch is being sent to the United Kingdom High Commissioner at New Delhi.

I have, &c.

P. J. NOEL-BAKER.

F 8141/167/97

No. 33

REPORT ON VISIT OF MR. C. B. DUKE TO AFGHANISTAN

Sir L. Grafftey-Smith to Sir A. Carter (Received in Foreign Office 19th June)

(No. 148)

Karachi,

My dear Carter, 31st May, 1948.

I am sending herewith some notes by Duke on a visit which he paid to Afghanistan from 8th to 16th May.

2. His comments on the "Pathanistan" issue are of interest. His general conclusion is that, while recognising the practical difficulties in the way of creating an independent Pathan State, the Afghan Government are attracted towards the notion partly by a desire to divert attention from domestic difficulties, but mainly by sentiment; and that some concession, even if it is only verbal, will have to be made to this sentiment if Afghan-Pakistan relations are to be as friendly as the real interest of both countries require.

3. As you will have seen from paragraph 7 of Duke's report, forwarded with my despatch No. 152 of 27th May, the propaganda campaign on both sides shows some signs of abating. It is to be hoped that the formal talks between the Afghan Ambassador and the Pakistan Government—which will presumably be held before long—will take place in a happier atmosphere than the abortive negotiations with Najibullah last winter.

4. I am sending a copy of this to Squire in Kabul.

Yours sincerely,

L. GRAFFTEY-SMITH.

Annex to No. 33

Office of the Deputy
High Commissioner for the
United Kingdom,
Peshawar,

Dear Sir Laurence, 21st May, 1948.

I enclose an account of my visit to Afghanistan from 8th to 16th May. I cannot of course on the strength of this brief visit do more than attempt to describe the impressions which I received, and the gist of the conversations which I was able to have there. Officials who have served only in the North-West Frontier Province are often thought to be lacking in sympathy for the Afghan point of view. It was therefore of great value I think for me to be able to go there and discuss in a fresh atmosphere matters of mutual interest which I had previously considered only from this side of the Frontier. I am most grateful to you, Sir, for allowing me to make this visit, as well as to Sir Giles Squire for giving me the opportunity to see not only Kabul itself, but something of the rest of the country, which it might otherwise have been difficult for me to do.

2. The account has I fear run to a considerable length though I have done my best to compress it as far as possible. Among things which struck me were the apparent contradiction between the seemingly primitive and inefficient Government and the high standard of law and order,

the roughness of communications and the general friendliness of the people even to foreigners.

3. Perhaps the most important topic which I discussed in Afghanistan from the point of view of this post was the "Pathanistan" propaganda campaign. The conclusion seemed to be that the Afghan Government sympathised sentimentally with the "Pathanistan" ideal, although they realise that it would not be practically possible to create an independent Pathan State, nor could they undertake administration of the Tribal Areas at present on the Pakistan side of the boundary. The "Pathanistan" campaign also serves the purposes of the Afghan Government by diverting Afghan public opinion from the difficulties of the internal position which are largely due to their own inefficiency. Nevertheless, it seems that some degree of concession, even if it is only verbal, to Afghan sentiment will be necessary if Afghan-Pakistan relations are to be friendly and close as the real interests of both countries require.

4. I hope to be able to enclose a set of photographs to illustrate the account and give some idea of the country, if I can get them processed in time. If not, I will send them by the next mail. I would be glad to have them back if they are no longer required.

Yours sincerely,
C. B. DUKE.

Enclosure in Annex to No. 33

Through the kindness of Sir Giles Squire, British Minister (now Ambassador) in Afghanistan, and Lady Squire, I paid a most interesting and enjoyable liaison visit to Afghanistan between 8th and 16th May, 1948.

2. The traveller's pleasurable anticipations and happy recollections of Kabul are apt to be temporarily somewhat blunted by the roughness of the road between Torkham at the Pakistan-Afghan frontier and Kabul, a matter of about 150 miles. In fact the impressions of Afghanistan which were uppermost in my mind immediately on my return were of consistently appalling roads, huge barren stony hills, and all-pervasive dust. But lest these seem churlish comments, let me hasten to add that the roughness of the roads was more than equalled by the kindness and friendliness with which I was everywhere received, while those bare hills were not only

impressive and in morning and evening lights often beautiful, but also of great interest, for they are stepping stones of history by which have passed so many of mankind's great migrations and conquering armies from the vast spaces of Central Asia to the fertile and populous plains of India. More remarkable too than the quality of the roads is the fact that the Afghans, with their limited resources, should have been able to construct motorable roads at all through such exceptionally difficult country. Even the high-powered American firm of Morrison and Knudsen, international constructional engineers, seem to have been able to make little impression so far on the road between Jalalabad and Kabul on which I was told they had been working for about two years. They were to be seen as I went through working with bull-dozers, automatic drills and mechanical shovels to clear the great mounds of debris and boulders washed by the recent heavy rain all across the road in several places, or brought up by the river when that also was dammed by sudden heavy rockfalls.

3. I reached Kabul on the evening of 8th May after driving all day, and stayed for two nights with Colonel A. S. Lancaster, Military Attaché at the British Legation who has been for many years in Afghanistan and is a recognised authority on the country and its people. He took me out on the 9th to Paghman some fifteen miles away and nearly 3,000 feet above Kabul. The King intends building a new palace there but according to the usual Afghan custom has had the large gardens laid out first—and very beautiful they are, both the formal garden in the Moghal style and the rustic.

4. On 10th May I drove about 150 miles north to Doab to meet Sir Giles Squire who had been out for some time previously on tour with his family in Northern Afghanistan. The road crossed one of the branches of the Hindu Kush range by the Shibbar Pass (about 10,000 ft.) and went through some immense gorges with sheer cliffs of rock rising many hundreds of feet straight out of the raging torrent of the Bamian River. For some reason which no one seems quite to have fathomed the rivers rising north of the Hindu Kush hold trout but not those south of the range, nor have attempts to introduce them in the southern streams been successful, though to the casual observer conditions appear to be much the same. At one point (near a village called Siah Gird, if that is of any interest) the station wagon in which I was

travelling developed slight trouble which, however, was fortunately soon put right. Inevitably the usual little group of villagers gathered taking a friendly interest in what was going on. Shortly afterwards we came to a bridge which about an hour previously had been broken by the flooding of the mountain torrent which it was supposed to span. Several lorries were held up on each side of the gap. The water in the river, though turbulent was fortunately not very deep and some of the lorry drivers and their passengers with some local villagers were wading about shifting the larger boulders from the bed of the river to make a crossing for the vehicles. The greatest friendliness and cheerfulness prevailed all round, though some people of course were more ready to advise from the bank than to tuck up their clothes and plunge into the cold and muddy torrent. Eventually one lorry attempted the crossing while all the people raised their hands and prayed loudly for its safe passage. This was duly accomplished, with the help of a good deal of pushing up the bank out of the river. Another lorry repeated it in the other direction. It was with some misgivings that I took the station wagon in, as the clearance was considerably less than that of the lorries, but we got safely across with a similar hearty push up the bank from a crowd of willing bystanders who spontaneously rushed at the car as we looked like sticking—and wanted nothing for their trouble.

5. The next day I went with His Majesty's Minister's party to Bamian where there are some remarkable remains of a great Buddhist monastery. The principal monuments are two huge standing figures of the Buddha, the larger 53 metres high and the lesser 35 metres, together with a smaller seated Buddha and many hundreds of temples, rooms and galleries all carved in the sandstone cliffs on one side of the valley. The figures have all been severely mutilated by the Muslim iconoclasts of the 10th and 11th centuries but are still impressive. There are similar but smaller monuments in some of the side valleys in this neighbourhood, which lay on the old Silk Route to China; Bamian itself was said to have been once a flourishing city of 70,000 inhabitants, of which, however, little trace now remains. The next day we all returned to Kabul.

6. I was struck by the high degree of security which evidently prevailed in the countryside. There was no sign of any special protective arrangements or escorts for His Majesty's Minister either on the

road or where he spent the night. When I was driving alone to meet him I saw no police or troops apart from a few in some of the larger villages on the way, while hardly anyone carried a rifle. Of the few armed men I did see two had only primitive "jizails" with curiously curved stocks which I thought no longer existed outside museums. The people that one saw on the road too, seemed generally to have an easy self-confident manner and natural dignity. I saw no sign of any antipathy to strangers but there was no doubt that the Afghans were free men and at least as good as any other. The only people who looked insignificant were the policemen and soldiers in uniform, though there were plenty of private citizens more raggedly dressed in their own clothes; yet these seemed more impressive and self-respecting than the uniformed men who looked generally undersized and somewhat shame-faced. The contrast with the protective arrangements in the Khyber Pass on the Pakistan side of the border was most noticeable. The men in uniform there are extremely smart and efficient looking, but there are plenty of them, and points of vantage are manned all through the Pass. On the Afghan side the necessity seems to be felt for nothing but one or two of those seedy-looking policemen. In fairness one ought perhaps to add that elsewhere than on the North-West Frontier Province one can drive, or could a year or two ago, for hundreds of miles through India without ever seeing an armed man or feeling any lack of security.

7. Another interesting contrast with present conditions on this side of the border was to see numbers of Hindu and Sikh shopkeepers, particularly the latter, sitting in their shops not only in Kabul itself, but in the larger villages through which I passed all over the country. They appeared to be mostly cloth dealers, their shops looked well stocked, and to be patronised as well as any of the others. Amongst their customers in Kabul I noticed some who looked like Ghilzais on their return from the annual migration from India. I wondered how many of them had last been dealing with Sikhs in very different circumstances in Kashmir.

8. I found it more difficult than ever, after seeing something of the country, to understand how the apparently ramshackle Government in Kabul governs Afghanistan, with its scattered and heterogeneous population and primitive communications. Yet the fact that somehow

it does so fairly effectively is shown by the peace which prevails in the countryside. According to His Majesty's Minister the only permanent source of danger to the Government is the tribes on the Afghan-Pakistan frontier. It was mainly they who dethroned Amanullah and put the present dynasty in his place, and they would probably be capable of bringing about a similar revolution again—a fact of which the present Afghan Government is well aware. It therefore devotes the utmost care and attention to the tribal problem. The ultimate aim is to make the Government forces strong enough to control the tribes, but they are far from this at present, in spite of the genuine efforts of Sardar Daud Khan, nephew of Hashim Khan, the ex-Premier, and until lately War Minister. The tribes therefore have to be managed by a combination of payments of cash allowances and presents, Islamic influence exerted through the Mullahs, and intrigues to play off one tribal section against another. This dependence on the Mullahs is recognised by members of the Government as a handicap to the progress and development of the State, but in present conditions is unavoidable.

9. The expert in the Afghan Government on tribal affairs has always been S. Shah Mahmud, the present Prime Minister, who succeeded his brother Hashim Khan, both of whom, together with Shah Wali Khan, the present Afghan Ambassador to Pakistan, are uncles of the King. Shah Mahmud is said to be inclined to be lazy over official business and to be easily led astray by flattery as he is not a man of great ability or strength and is always seeking popularity.

10. I discussed with Sir Giles Squire, Colonel Lancaster and others the question of the "Pathanistan" propaganda being put out by the Afghan Government and what their motives could be. One probable explanation is said to be nervousness regarding the future behaviour of the tribes, combined with a desire to divert public attention in Afghanistan generally from internal maladministration. The Afghan Government is apparently anxious to be regarded as the champion of all Afghans and Pathans and to ensure that if the frontier tribes should feel like making trouble their grievances should be directed against the Pakistan or North-West Frontier Province, and not the Afghan Government. Another and more legitimate reason for the "Pathanistan" campaign is the Afghan fear that the Pathans, being

few in numbers and generally ill-educated, would be swamped in Pakistan by the Punjabis, Bengalis and Sindhis, who are in a great majority in the main Government services, and thus would lose their distinctive national identity. This, however, I said seemed to me unlikely to happen. Local Pathan nationalist sentiment in the North-West Frontier Province is strong enough to oppose bitterly any such development, nor does it appear to be the aim of the Pakistan Government, in spite of the economy and probably greater efficiency which would be secured by more centralisation of the administration. Mr. Jinnah's public promise at the Islamia College during his recent visit to the Frontier of the establishment of a Frontier University separate from the Punjab University in Lahore seems to me to support this view. If it is in fact the policy of the Pakistan Government to preserve the separate identity of the Pathans in Pakistan, Sir Giles Squire expressed the hope that they would see their way to assuring the Afghan Government, through their ambassador in Karachi, that they had no intention of allowing the Pathans to be submerged in Pakistan and that there would therefore be nothing to prevent the people of the North-West Frontier Province and adjacent tribal areas changing the name of the area if a substantial majority of them genuinely wished to do so. This, Sir Giles thought, would effectively silence the present "Pathanistan" propaganda and would satisfy the Afghan Government, who, he said, would be greatly embarrassed if they were taken at their word over Pathanistan. For they are well aware of their own weakness *vis-à-vis* the tribes now supposed to be under their authority, and know that they could not manage any more. They allege that they have to support the "Pathanistan" propaganda in order to pacify their own nationalistic Young Afghan Party and public opinion generally. But Sir Giles doubted whether these considerations would be given so much weight if the Afghan Government did not themselves sympathise with the ideal of "Pathanistan," even if they realised that it was impracticable. He expressed great hopes that Shah Wali Khan, the new Afghan Ambassador in Karachi, would be able, with his wider experience of diplomacy and world affairs than most Afghans—or Pakistanis—possessed, to reconcile the Afghan view, which admittedly is based on sentiment rather

than law or logic, with the Pakistan attitude that questions such as the designation of a particular area in Pakistan are matters of domestic concern and nothing to do with the Afghan Government.

11. To revert to the question of how the Afghan Government controls the country with what appears to be inadequate communications, ineffective armed forces and an inefficient administration. All key positions are held by members of the ruling family or their close supporters. Apart from the tribes in the Eastern and Southern Provinces, Kandahar is said to be a source of potential trouble owing to conservative priestly influence there. But for the most part the people are poor and so accustomed to autocratic rule that the idea of revolt seldom seems to occur to them. Particularly is this the case with the Turkomans of the north, who are treated with scant consideration by the Pathan or Afghan officials. Yet an agent of the Russians who was caught in this area confessed, apparently with some exasperation, that his propaganda had had little effect as the people were so miserably backward that they did not even understand what he meant when he talked of liberty and self-determination. The danger in the north is not so much of a movement of the people towards Russia as of a Russian annexation of the province which would not be resisted by the people themselves and which the Afghan Government would not have the force to prevent.

12. At the same time there are limits to the extent to which even the more docile parts of the population can be pressed. There has been trouble with the Hazaras in the past and there is said to be considerable discontent in the country which causes the Afghan Government some anxiety. For instance the price of wheat has been fantastically high, although for many years Afghanistan had been self-supporting in food grains. This is to be ascribed partly to poor crops in recent years but probably more to Shah Mahmud's relaxation of the

strict measures of control adopted by Hashim Khan, and to general mismanagement by the Government. They have, however, succeeded in persuading the World Food Council to allot them 20 thousand tons of grain a year for five years from abroad, I think I was told, and they hope with this to be able to bring down their internal prices.

13. I cannot omit some reference to the unique position of the British Legation (about to be raised to an embassy). The mission consists of a main house standing in its own grounds, in which also are the Chancery and houses of the members of the staff, set in the country a few miles outside the rambling town of Kabul itself. This isolation may have disadvantages as well as advantages. But the legation itself, though Indian in style outside, presents the appearance and atmosphere inside of a completely English country house and the staff houses similarly are pleasant English houses, all surrounded by beautiful English gardens. They illustrate the English way of living at its most gracious. It is all so utterly different from the houses in Kabul occupied by all other missions—definitely oriental, surrounded by high blank mud-plaster walls which enclose perhaps a struggling patch of dusty garden, while the houses themselves that I saw, though they cost fabulous rents, looked generally shoddy and crude. I gathered that both the Indian and the Pakistan Governments are pressing claims to the British Legation premises. These should be resisted at all costs. To relinquish this mission, unique in Kabul, would seriously damage British prestige and influence not only in Afghanistan but in the surrounding countries and even further afield. For it would be such an obvious loss that it would be regarded as convincing evidence that British weakness was real and desperate. Such a surrender would also be singularly inappropriate when the mission had just been raised to an embassy.

C. B. DUKE.

20th May, 1948.

**CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE
HIGH COMMISSIONER FOR PAKISTAN**

Situation in Indonesia

Mr Bevin to Sir P. Nichols (The Hague)

(No. 314) *Foreign Office,*
Sir, 12th August, 1948.
I asked the High Commissioner for Pakistan to come and see me this morning to discuss the position in Indonesia. The Secretary of State for Commonwealth Relations was also present.

2. I asked Mr. Rahimtoola whether he could request his Government to impress upon their co-religionists in Indonesia the vital importance of being reasonable and of contributing in every way possible to a settlement of this vexed problem. I told the High Commissioner that I had met the Dutch representative, Dr. Beel, when I was at The Hague recently, and had impressed upon him the urgent necessity of trying to arrive at a reasonable solution of the problem. At that time there was no Dutch Government, and it was necessary for legislation to be effected to amend the Constitution. I now understood that there was a reasonable chance of this being done. If the Dutch Government were willing to negotiate for a settlement, then I hoped the Republicans and all the other interested parties would resolutely make up their minds that a solution had to be found, and that they would give a decision which would allow the economic development,

that was so essential for the well-being of that part of the world, to proceed.

3. I told the High Commissioner that I was very perturbed at the situation in South-East Asia, which would have tremendous repercussions on Pakistan and India if it continued. There was serious trouble in Burma: there was the Communist attempt to assume power in Malaya: the long-drawn-out disturbances in Indonesia still continued. The whole situation seemed to me to be inviting Communist infiltration, ending ultimately with civil war. South-East Asia would find itself in a very similar position to that of China. In my view it therefore behoved all statesmen to use their best endeavours to promote a settlement wherever they could. Indeed, this was vital.

4. The High Commissioner said that his Government, too, were gravely concerned. He was glad to know that I had complied with their request to use my good offices with the Dutch. He would convey this to his Government, supporting the request that I had made. He agreed that the situation was becoming extremely dangerous, and he was sure that his Government would take particular note of what I had said.

I am, &c.

ERNEST BEVIN.

**CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE
AFGHAN AMBASSADOR**

Afghanistan Claims on the North-West Provinces of India

Mr. Bevin to Sir G. Squire (Kabul)

(No. 66) *Foreign Office,*
Sir, 16th September, 1948.
The Afghan Ambassador made his first call on me to-day.

2. The Ambassador, after the usual exchange of compliments and greetings, passed on to the subject of the North-West Provinces of India. He said that when the

Afghan Prime Minister had been in London I had advised him to discuss this problem with Mr. Jinnah and Sir Safrullah Khan. The Ambassador said that this had been done, but with no result. He pointed out that these territories had been conquered by British forces and that subsequent treaties were made

between the British Government and the Afghan Government. In these circumstances His Majesty's Government had no right to hand over the territories in question to Pakistan.

3. I took note of what the Ambassador said and undertook to look up the treaties and to study the matter.

I am, &c.

ERNEST BEVIN.

C.R.O. ref.: POL 11076/48
F.O. ref.: F 14323/76/85

No. 36

RELATIONS BETWEEN PAKISTAN AND INDIA

*Mr. Burnett to Mr. Noel-Baker (Received in Commonwealth Relations Office
12th October)*

(No. 255)
Sir,

Karachi,
4th October, 1948

I have the honour to report that the Prime Minister returned to Karachi on 1st October after a seven days' tour of Western Pakistan, in the course of which he visited Lahore, Peshawar, Rawalpindi and Quetta, at each of which places he addressed very large public meetings and held a number of important administrative conferences and discussions.

2. In his broadcast to the nation on 22nd September, an English translation of which was forwarded with my letter No. S/24 dated 25th September, the Prime Minister affirmed his faith in Pakistan's survival after Mr. Jinnah's death and assured India of Pakistan's peaceful intentions the while asserting her intention of fighting to the last should she be attacked, and calling for unity, discipline and a spirit of self-sacrifice from the people. These same themes formed the tenor of the Prime Minister's public speeches during his tour. Extracts illustrating the salient points in his speeches are enclosed as Annexures⁽¹⁾ I-IV to this despatch. References to the measures being taken for Pakistan's defence were everywhere enthusiastically received by the large crowds that listened to the Prime Minister, and there is no doubt that the tour succeeded in its objects of rallying the people from the shock of Mr. Jinnah's death; of taking advantage of the surge of emotion thus released to consolidate popular support for the Government—a very necessary precaution in the West Punjab and the North West Frontier Province where the population is becoming increasingly preoccupied by and indignant at current shortages of essential commodi-

ties, for which the Administration is blamed; and at the same time of initiating a process of mental conditioning of the people for a fanatical resistance to the Indian attack that is now increasingly feared. It is equally clear that Mr. Liaquat Ali Khan has returned from this tour with greatly increased personal prestige.

3. There is no reason to doubt the sincerity of the Prime Minister's repeated protestations of Pakistan's desire to live at peace with the world, and with India in particular. But these protestations were uttered against a background of feverish activity to strengthen the defences of Pakistan, indicating that the Pakistan Government have little hope that their desire for peace will be fulfilled. The Pakistan Defence Ministry and General Headquarters are working at high pressure on plans for the expansion of the three Armed Services. Details of the current schemes have already been reported by my Military and Air Advisers to the War Office and the Air Ministry. Broadly speaking, it is proposed to expand the regular Army to four divisions with a further division for the guarding of vulnerable points; to increase the Air Force to six operational fighter-bomber squadrons and one transport squadron, and to acquire a further destroyer, or destroyers, for the Navy. To assist in overcoming the severe manpower shortage which is likely to prove the principal limiting factor in this expansion, all further releases from the Armed Forces have been discontinued, the Commander-in-Chief has been empowered to embody battalions of the Pakistan National Guard as required for the guarding of vulnerable points; an appeal has been

⁽¹⁾ Not printed.

issued to released personnel of the three armed Services to offer themselves for re-enlistment, and, in the Royal Pakistan Air Force, all leave has been stopped. Steps are at the same time being taken to prepare the civil population for war. A Civil Defence Department is to be formed and a Director-General of Civil Defence for the whole of Pakistan has already been appointed; his first duty is to organise A.R.P. measures in the principal towns of Pakistan, and volunteers are for this purpose to be enrolled on an honorary basis. Recruitment and training of the Pakistan National Guard are being intensified and rifle training for the general public is to be provided by the formation in the principal cities of Pakistan of rifle clubs, for which the rifles and ammunition will be provided free by the Government and expert instruction will be available.

4. It is natural that these extensive defence preparations should have given rise to a measure of public apprehension. The authorities have taken advantage of this apprehension, and of the feeling of uncertainty that prevailed for the first few days following Mr. Jinnah's death, to make further appeals for solidarity and discipline and to launch a spy hunt, partly, doubtless, with the object of diverting public activity from more dangerous channels. Some two dozen "spies," more than half of them Hindus, have been arrested in Karachi alone since Mr. Jinnah's death, and the latest "Fifth-columnist" to be apprehended is the Hindu secretary of the Premier of Sind, allegedly on his way to India with vital defence secrets. Behind this somewhat theatrical facade, a significant reorganisation of the Pakistan Intelligence Services is taking place; a central Intelligence Directorate has been established at Karachi with Brigadier Hamid—former Director of the Pakistan National Guard—at its head, in control both of all Military Intelligence and of the Civil Intelligence Bureau. Stringent steps have at the same time been taken to tighten up airfield security.

5. The broad decisions for the expansion of the Pakistan Armed Forces outlined above are understood to have been taken at a meeting in Karachi, convened by the Prime Minister and attended by the three Service chiefs and the Cabinet Secretary-General, on 11th September, as Indian troops marched into Hyderabad. There seems little doubt that the tempo of the proposed expansion has been greatly accele-

rated by the unexpectedly rapid surrender of the Hyderabad Forces—an event which caused considerable consternation in Pakistan Defence circles and illustrated clearly the wishful inaccuracy of their appreciations of the Hyderabad situation. Disquieting indications of a fresh direction given to the plans for expansion of the Royal Pakistan Air Force cannot be disregarded. Two Halifax aircraft belonging to Pak Airways have been taken over by the Royal Pakistan Air Force, one for conversion to a heavy bomber and the other for the training of aircrews in four-engine bomber operations. It is further rumoured that Pakistan is interested in obtaining possession of a further thirty-two Halifax bombers believed to have been ordered (possibly from the United Kingdom surpluses through Mr. F. S. Cotton's organisation) for the Nizam of Hyderabad, and that efforts will be made to overcome the shortage of trained four-engine bomber crews by offering short-service commissions to European mercenaries, including Irish pilots of Aer Lingus and Aer Linte, a number of whom—members of Mr. F. S. Cotton's organisation—are present in Karachi. It is difficult to account for this preoccupation with heavy bomber aircraft except on the assumption that the view is gaining ground in the Pakistan Defence Ministry that the Dominion's defensive strategy against India should be based on a bold offensive blow at vital targets in that Dominion. From this dangerous theory, it is but a short step to the disastrous conclusion that, in order to achieve maximum success, the blow should be delivered before the Indian Forces recently occupied in Hyderabad have been re-deployed. Tempting support for such an appreciation of the situation is supplied by recent intelligence regarding Indian troop movements from Hyderabad to the East Punjab which was reported to you in my telegram No. 1169 dated 29th September.

6. Although, as I have observed above, there is no reason to doubt the sincerity of the Prime Minister's desire for peace and of his personal steadfastness in pursuing the path of peaceful relations with India, the present course of warlike preparations on which the Government have embarked cannot but produce a bellicose temper in the people. It has been made amply clear that these defensive preparations are directed against India, and fear and suspicion that Pakistan may be the

next victim of Indian aggression are already rife. This trend is exemplified in a leading article that appeared recently in a Karachi English daily newspaper entitled "After Hyderabad What?", which, after commenting on the close correspondence between the methods and phraseology used by Hitler in Europe and by the Indian Government in post-partition India, draws the conclusion that the Indian dictators will prove little able to halt the machinery of aggression as was Hitler, and asks who is next on India's list. In this time of anxiety Pakistan finds herself increasingly isolated. The ineffectiveness of the United Nations in the Kashmir dispute and their alleged dilatoriness over Hyderabad have convinced Pakistan that no assistance is to be expected from this quarter. And while, as a recent leading article (enclosed as Annexure V⁽¹⁾) in the semi-official newspaper *Dawn* indicated, Pakistan, admitting the long-standing ties between herself and Great Britain, and her ideological affinity with the Anglo-American *bloc*, would like to turn to the United Kingdom for support, her confidence in the British Government has been largely undermined by His Majesty's Government's policy of strict neutrality as between the two Dominions, which she considers has worked consistently in India's favour. The same leading article goes on significantly to apply Mr. Bevin's recent telling words at the General Assembly of the United Nations in Paris to the situation here: parodying Mr. Bevin, *Dawn* says "to give you our alliance and friendship we need deeds not words; show us the deeds, give us the proof of good faith, and it will be found that Pakistan will not be slow to enter into an honourable arrangement provided she can expect a spirit of understanding for mutual interests." The leader concludes by asking what right either Britain or the Anglo-American *bloc* have to expect Pakistan to be "enemies of their enemies, when they are friends, champions and buttresses of our enemies."

7. Recent public speeches by Indian leaders have done little to allay Pakistan's fears of India's aggressive intentions. Speaking in Delhi on 1st October, the day of Mr. Liaqat Ali Khan's return to Karachi from his tour of West Pakistan, Pandit Nehru is reported as having assured the people of Pakistan that "India has absolutely no intention of attacking Paki-

stan." In a broadcast that evening the Prime Minister of India again declared that India had no hostile designs against any country, least of all against Pakistan, but he went on to speak of Pakistan's "aggression of a brutal and unforgivable kind, aggression against the people of Kashmir and against the Indian Union," and to declare that "on no account and whatever happens are we going to submit to this aggression. We shall fight it to the utmost, for it involves not only the freedom of Kashmir but also the freedom of the Indian people and respect for the law of nations." On the same day Sardar Vallabhai Patel, in an address delivered to officers and men of the R.I.A.F. station at Palam, near Delhi, is quoted by the *Hindustan Times* as stating, after referring to the result of the action taken by India in Hyderabad, "The only question now is that of Kashmir. If the Security Council releases us from the embarrassment, we shall perform that operation also with the least amount of danger." These utterances are interpreted in Pakistan to mean that India has no aggressive intentions against her sister Dominion provided that Pakistan accepts as irrevocable the accession of Kashmir to India, and withdraws her troops from the State.

8. Having regard to the tension which has for months prevailed in both Pakistan and India, it might be assumed that public statements of the kind made by prominent leaders in the two countries during the past week, the exchange of telegrams between the two Prime Ministers regarding the withdrawal of Pakistan troops from Kashmir, and the apparent preparations for war in Pakistan can only portend the imminent outbreak of open hostilities. It must, however, be remembered that both Mr. Liaqat Ali Khan and Pandit Jawaharlal Nehru are about to leave for the conference of Commonwealth Prime Ministers in London and that the Kashmir dispute is likely to come before the Security Council again as soon as the Kashmir Commission's interim report is ready. It seems highly improbable that, with these events impending, India has in fact any immediate intention of forcing Pakistan into open war by mounting a fresh offensive in Kashmir; it is even more unlikely that Pakistan will attack India, if for no other reason than that such action would be suicidal. It is more probable, in my

(¹) Not printed.

opinion, that the recent activities in both Dominions are intended as preparation for any discussions on Kashmir which may take place between the two Prime Ministers in London and for the proceedings of the Security Council when the Kashmir dispute comes before it again, although the risk that there is a more sinister intention behind them cannot be ignored. Whatever be their object, it is safe to assume that during his visit to London Mr. Liaquat Ali Khan will seek assurances from His Majesty's Government in the United Kingdom and the other Commonwealth countries that, if Pakistan is attacked by India, she will be supported. The difficulties of giving and still more of implementing such an assurance are obvious. I feel, however, that opportunity should be taken of the presence of the two Prime Ministers in London to bring them together for the purpose of evolving an agreed solution of the Kashmir dispute, and to make clear to them both that the United Kingdom Government would take the gravest view of any attempt by either Dominion to solve the dispute by force of arms. The two Prime Ministers might also, I suggest, be warned that if the United Kingdom Government reach the conclusion that either Dominion is actively preparing radically to alter, by offensive military action, the present military

position in Kashmir, British officers serving in the armed forces of that Dominion, but *not* of the other Dominion, will immediately be ordered to "stand down." In view of the large number of British officers serving in the Pakistan forces, such a warning would tend to restrain Pakistan from aggressive action against India; in the contrary case, the retention of the valuable British element in the Pakistan forces would be of great assistance to Pakistan and would afford practical evidence of Commonwealth support if she were attacked. I believe that if the two Prime Ministers return from London having made no substantial progress towards settling the Kashmir dispute and with no clear indication of the action which the United Kingdom and the other Dominions would be likely to take in the event of aggression by either against the other, India and Pakistan will soon be at war, for I can find no evidence that either country has any faith in the ability of the United Nations Commission to effect a settlement of the Kashmir dispute.

9. I am sending copies of this despatch and its enclosures to the Acting High Commissioner in New Delhi.

I have, &c.

R. R. BURNETT.
Acting High Commissioner.

F 14926/167/97

No. 37

AFGHAN-PAKISTAN RELATIONS

Sir G. Squire to Mr. Bevin. (Received 25th October)

(No. 152)

Kabul,

Sir, 19th October, 1948.

No progress appears to have been made with the negotiations between Afghanistan and Pakistan for the settlement of their outstanding difficulties since my last report on the subject (*vide* paragraph 6 of my despatch No. 134 of 1st September). During my recent visit to Karachi, His Royal Highness Shah Wali Khan, the Afghan Ambassador, told me that the fact that there had been no fresh developments did not mean that the Afghan attitude had undergone any change; indeed they still hoped that Pakistan would meet them over their two main requests, that the Pathans of the North-West Frontier Province should be guaranteed against loss of their identity by absorption into the Punjab and

that the North-West Frontier Province should be given a more suitable name.

2. The official attitude of the Pakistan Government appears to be that they are quite prepared to grant the first request, and also to agree to any name that the inhabitants of the North-West Frontier Province may select for themselves; but the question of a name is not likely to be brought up until the Constituent Assembly meets and that will not be for some time owing to Pakistan's preoccupation with other more important matters. I pointed out to Shah Wali Khan that there were considerable advantages in such delay. If the proposal were now to be made in the provincial legislative assembly of the North-West Frontier Province or elsewhere, it is more than probable that the

comparatively recent Congress campaign in favour of Pathanistan would prove the deciding factor in securing its rejection, whereas a further delay of six months or more would give it a better chance of being discussed on its merits. (In point of fact, however, the Chief Minister of the North-West Frontier Province, whom I subsequently met in Peshawar, told me that the majority of the people were perfectly satisfied with the name "Frontier Province"—Suba-i-Sarhad—by which it is known in official correspondence and that they would be unlikely to accept any suggestion for alteration.) Shah Wali Khan told me that he could not proceed with discussions on other subjects such as the exchange of consulates, trade relations, &c., until these two issues were settled. He further hinted that he could not stay in Karachi himself indefinitely. (I imagine that his wife will be the deciding factor in this matter. She has lived in Paris for many years and has agreed with great reluctance to join her husband in Karachi in November; but it seems certain that in Pakistan she will have to be in purdah and that she will not consent to this for long. She is said to be the predominating partner in the house. Shah Wali has insisted that as long as he is in Karachi there is to be no interference on the part of the Afghan press, but it is doubtful whether the Afghan Government will be prepared to maintain the existing ban on press discussions indefinitely.

3. A further stumbling block to a settlement is likely to be Colone] Shah, unless, as seems not improbable, he is removed from his present position as Secretary for the Ministry for States and Frontier Affairs. In spite of the fact that his objec-

tions (already reported in my earlier despatch) were over-ruled when Mr. Chundrigar was in Karachi in August, I found in conversation with him that he had by no means acquiesced in the Afghan Government even discussing these matters. He is convinced that they only raised the question (which they never did with His Majesty's Government) out of ill-will, coupled with the belief that Pakistan is a weak country, and that therefore any hint of interference in Pakistan's domestic affairs must be firmly resisted. The facts, as I attempted once more to explain to him, are of course that the Afghan Government had for years stated openly that if at any time His Majesty's Government left India they would never acquiesce in these regions remaining part of a Hindu "raj" in Delhi, and that the emergence of Pakistan caused them to modify very considerably their attitude and to reduce their demands to their present comparatively innocuous requests. These the present Government of Shah Mahmud is, unwisely perhaps, not prepared to withdraw, as Shah Mahmud is unwilling to risk the unpopularity or discontent which might result from such a course.

4. The present position can hardly continue indefinitely, but it does not appear that either side is at present prepared to consider offering any reasonable compromise.

5. I am sending copies of this despatch to the Secretary of State for Commonwealth Relations and to the acting High Commissioner for the United Kingdom in Karachi.

I have, &c.

G. F. SQUIRE.

F 15025/167/97

No. 38

AFGHAN-PAKISTAN RELATIONS

Sir. G. Squire to Mr. Bevin. (Received 27th October)

(No. 188)

(Telegraphic)

Kabul,

26th October, 1948.

Your telegram No. 175: Afghan-Pakistan relations.

I have reviewed the position in my despatch No. 152 of 19th October. It is improbable that Faiz Mohammed Khan has received explicit instructions to repre-

sent the Afghan case officially, but there is no doubt that he is echoing the views of his Government.

2. In conversation with Afghan Minister for Foreign Affairs on 21st October I found that he was still hoping for our assistance in settling this matter. I explained frankly that I did not see how the

Pakistan Government could possibly go beyond the attitude explained in paragraph 2 of my despatch under reference, but Ali Mohammed, though eminently reasonable in other matters, in this seems incapable of appreciating Pakistan point of view and considers that the Pakistan Government ought to put pressure on the North-West Frontier Province to change its name.

3. If you agree with me that such demand is entirely unreasonable it might

help if you could make it clear to Faiz Mohammed Khan that although His Majesty's Government are anxious to see a satisfactory settlement between Afghanistan and Pakistan they do not consider that Afghan request for change in the name of the province is in any way justifiable, unless there is spontaneous demand from local inhabitants. Unless Afghanistan can be persuaded to drop or at least to postpone this demand, progress in other more pressing matters will be impossible.

F 15957/167/97

No. 39

AFGHAN-PAKISTAN RELATIONS

Mr. Bevin to Sir G. Squire (Kabul)

(No. 192) *Foreign Office,*
(Telegraphic) 30th November, 1948.
My telegram No. 175.
Following for Squire from Denning:—

Afghan Ambassador persists in raising the question of the future of the North-West Frontier. He claims that he is acting on instructions from his Government.

2. He saw the Prime Minister on 17th November, and repeated arguments used in his interviews at the Foreign Office. He was told that the question was one for direct settlement between Afghanistan and Pakistan. (An account of the interview is being sent to you by bag.)

3. On 23rd November the ambassador again stated his case to me. A new point which he made was that the British Governor of North-West Frontier Province had acted in a manner harmful to Afghanistan by allowing Mohd Amin, a relative of ex-King Amanullah to enter Waziristan and rouse the tribes against the present Afghan Government.

4. The ambassador also claimed that he had heard from Kabul that the Afghan Ambassador in Karachi had failed to get the Pakistan Government to discuss the North-West Frontier Province questions. He said that if the Pakistanis persisted in the attitude which Zafrullah had shown to him when he was passing through Karachi and continued to maintain that this was an internal question which they refused to discuss with the Afghans, his Government would be obliged to take some step.

This he said might cause His Majesty's Government to reproach the Afghans, and, therefore, the whole question was of concern to us now.

5. Finally, the ambassador asked if we could offer some friendly advice to the two parties as to how they were to settle their differences. He was told that we had nothing to add to what we had said in previous interviews but that his latest approach would be reported to the Secretary of State.

6. The persistence of the ambassador is growing tiresome. We do not intend to be drawn by his repeated efforts to involve His Majesty's Government in this matter, and we regard his charges against Sir A. Dundas as entirely baseless. We should, however, be grateful to know if you have any further suggestions as to what lies behind his behaviour. Is there any foundation for his claim that the Pakistan Government have refused to discuss this matter with the Afghans, and that he has been instructed to press the matter here? And how seriously should we take his hint that his Government may be obliged to take some action?

7. After this telegram had been drafted the ambassador called on Sir O. Sargent and went over the same ground at length. He was told that Pakistan was a fully independent State, and that we were no longer in any way responsible for her foreign relations.

8. As the ambassador will doubtless revert to the question we should be grateful for your early views

F 17211/167/97

No. 40

AFGHAN-PAKISTAN RELATIONS*Sir. G. Squire to Mr. Devin. (Received 5th December)*

(No. 207) *Kabul,*
(Telegraphic) *4th December, 1948.*

Your telegram No. 192.

Following for Dening:—

Please see the last paragraph of my telegram No. 188 and also my despatch No. 165 of 17th November which should now have reached you.

2. I have no further suggestions as to the reasons for Faiz Mahommed's insistence in this matter. I do, however, think that although the matter is admittedly no direct concern of His Majesty's Government it would be most useful if Afghan Ambassador could be spoken to as suggested in my telegram No. 188. At his Government's request in Kabul we have used our influence with Pakistan and have been success-

ful in inducing them to offer eminently reasonable concessions to [group undecipherable] point of view. It is logical that we should speak equally frankly to Afghanistan and give them friendly advice for which their ambassador has now asked. If you would agree to do this I would at the same time tackle the Afghan Prime Minister again in Kabul.

3. I have of course kept the Pakistan Ambassador fully informed of my activities here with which he is in full agreement.

4. For explanation of the deadlock, and reasons for it, please see paragraph 2 of my despatch No. 152. I do not think that the hint of action by the Afghan Government need be taken seriously.

(B) Monthly Appreciations of General Situation

C.R.O. ref. POL. 6632/48

F.O. ref. F 3046/99/85

No. 41

PAKISTAN**MONTHLY APPRECIATION OF GENERAL SITUATION**

By the United Kingdom High Commissioner, Karachi

No. 1—For January 1948

(Received in Commonwealth Relations Office, 10th February)

1. The following is the first Monthly Appreciation of the general situation in Pakistan for the month of January 1948.

2. Relations between the two Dominions of India and Pakistan had, by the beginning of the year, deteriorated to a point at which war seemed all but inevitable. The Kashmir imbroglio was but the latest link in a chain of incidents which seemed to the Pakistan Government to reflect a determination on the part of India to prevent any progress in the construction and consolidation of Pakistan, whose separate identity remained a challenge to Hindu ideology and action. An almost identical belief in India that Pakistan was determined to work for the disruption of the new Indian Dominion, though less obviously justified by facts, created an atmosphere

of mutual fear and suspicion in which any spark might lead to an explosion. India's submission to the United Nations on 30th December, 1947, of her case against Pakistan was made with Pakistan's willing prior consent, because Pakistan's own earlier efforts to persuade India to accept the intervention of any third party in the Kashmir dispute had been summarily rejected, and she was happy to obtain a reference to the United Nations, for which she had pleaded in vain in November, even at the cost of appearing before the Security Council in the invidious rôle of an alleged aggressor.

3. The Pakistan Delegation to Lake Success, headed by Sir Mohammad Zafrullah Khan, Pakistan Minister for Foreign Affairs, was unable to leave for

the United States before 11th January. It was followed two days later by Sardar Mohammad Ibrahim, head of the so-called Free Kashmir Government. The proceedings at Lake Success have been adequately reported in the world's press. Briefly, both parties agreed in principle to the appointment of a U.N.O. Commission of three persons, but the precise functions of this Commission were still not settled at the end of January. The draft resolution submitted to the Security Council by the Pakistan Delegation on 26th January provides for the withdrawal of all non-Kashmiri elements from Kashmir, including the Indian forces as well as the raiders from tribal areas outside Kashmir, and the establishment of an impartial administration to maintain law and order, and to organise a plebiscite on the issue of Kashmir's accession to either India or Pakistan. The Indian Delegation, on the other hand, have so far insisted that the Maharajah's accession to India gives her a legal position in Kashmir which she cannot be expected to renounce, and limits the rôle of the United Nations representatives to that of observers of a plebiscite to be taken after new elections in Kashmir. Their thesis is that the Indian troops should restore law and order after the withdrawal of all raiders, and that Sheikh Abdullah, who played a prominent part in Kashmir's accession to India, should remain as head of the administration after a cease fire.

4. No solution which fails to guarantee a genuinely impartial administration of Kashmir immediately after the cease fire will be effective to secure compliance by the Moslem elements now engaged in fighting there. Estimates of the numbers of tribal raiders combatant in Kashmir vary considerably, but a fair guess would be that about ten thousand are fighting in Kashmir and another ten or fifteen thousand coming and going behind the lines. These elements, however, are but a fraction of the total forces now battling in Poonch and Jammu, where the Moslem population of the State is under arms. The use of the word "raiders" in Indian communiqués is deliberate and misleading, and it would be necessary for the Indian troops, in order to "restore order," to repress a popular movement of revolt against a hated and alien régime. Whether they can do so is problematical. What is certain is that neither the Pakistan Government nor Mr. Jinnah personally could persuade these forces to lay down their arms unless it were possible to show them some prospect of

impartial administration and a fairly conducted referendum.

5. There is a tendency in Pakistan to believe that India's appeal to the United Nations was made under military duress and in order to enable the withdrawal of Indian troops from an impossible military situation without loss of prestige. I doubt whether this is indeed the case. It seems more likely that those responsible in India are anxious to stop hostilities which cost them vast sums of money and the waste of valuable material, but that they consider the performance of the Indian troops to have been less discouraging than is here alleged. What may not be realised in India is that the massacres in East Punjab and in Delhi had already provoked the Moslems in the North-West Frontier to ideas of revenge, and that the later killings in Jammu and Poonch, which were the direct cause of the tribal incursion into Kashmir, probably served to divert from India an anti-Sikh and anti-Hindu Jihad. This determination to be revenged on the Sikhs, and, above all, on the State of Patiala, finds common expression among the tribesmen now in Kashmir; and it is no doubt fear of their resolve to repay the Sikhs in kind that has created in Eastern Punjab and in Delhi a legend that Pakistan is spoiling for war.

6. The latest reports from Lake Success suggest that India may break off discussions there if she does not get her way and seek a "unilateral decision" with Pakistan. This desperate course cannot be entirely excluded from calculations. Pandit Nehru is a Kashmir Brahmin, whose emotions are passionately involved in this controversy. Until a United Nations Commission is actually on the spot, it will not be possible to regard the situation with any complacency.

7. Various developments during January aggravated the tension already existing between India and Pakistan at the end of 1947. Hopes raised by the agreement reached in November for a settlement of outstanding financial questions, and of the vexed problem of military assets, were dashed by the decision of the Government of India to make implementation of this agreement conditional on the satisfactory issue of the Kashmir dispute. The facts are obscure. The story in Karachi is that the announcement of this intention was made by Sardar Patel in direct conflict with his Cabinet's wishes, and, indeed, that the consequent aggravation of tension between Patel and Pandit Nehru was the

main cause of Mr. Gandhi's fast. Be that as it may, India's refusal to implement the financial agreement was most bitterly resented in Pakistan, and the later reversal of India's decision, duly announced just before the Pakistan Delegation addressed the Security Council, was received here with satisfaction but with no particular gratitude. A minor grievance survived this concession by India, because certain sums claimed by India from Pakistan were deducted from the total credited to her account, although such adjustments would normally follow agreement between the two Auditors-General. Pakistan, for her part, held up delivery of 32 Tempest aircraft and 57 Spitfires belonging to the Government of India, which were lying in Karachi. These were later released in the atmosphere of goodwill produced by Gandhi's fast. Action by the Customs authorities in Bombay to deny cargo to ships clearing for Karachi, which amounted almost to direct economic warfare, was another feature of strained relations; and India's sudden decontrol of sugar, cotton textiles and food grains, which was decided without reference to Pakistan, proved gravely embarrassing to local economy.

8. The gravest provocations of trouble, however, mercifully produced no tragic echo in India. These were the massacres of non-Moslems which occurred in Pakistan during January; in Karachi on 6th and 7th January; at Gujrat Railway station on 12th January, and at Parachinar in Kurram Agency (North-West Frontier Province) on 22nd January. The awful chain of massacre following previous killings encouraged no hope that these lamentable examples of communal frenzy would remain unavenged. So seriously did I consider the risk of violent reaction from the East Punjab to these killings, against the background of steady deterioration of relations and Pandit Nehru's threat of direct military action against Azad Kashmir "bases" in Pakistan, that I advised European British subjects in three districts of West Punjab to send their wives and families away for a few weeks. Mr. Gandhi's fast intervened, and it is probably thanks to him that grave trouble did not occur. I understand that Pandit Nehru, also, used much influence to persuade the press in India to soft-pedal their accounts of these disasters, with a view to minimising the effects of Sardar Patel's unbridled oratory.

9. The Karachi troubles started with the arrival in Karachi of a party of 180 Sikhs from Upper Sind, for evacuation by sea to India. According to the local authorities, no notice was given to them of the arrival of this party, and it was somewhat provocatively taken at mid-day through the middle of Karachi in open trucks. The police behaved badly, and failed to quell disturbances at the start. The Army, which was soon called in, did a very good job; but about 200 persons had been killed and a very great many Hindu shops, &c., looted, before order was restored. The city was put under curfew for ten days. At Gujrat railway station, a train of non-Moslem refugees from Bannu was attacked by Pathan or Afghan tribesmen who appear to have been fired on by the train guard when mistakenly attempting to board the train as passengers. Many hundreds were killed, and many hundreds more have not yet been traced. It was Afghan tribesmen, also, who killed 130 non-Moslems at Parachinar, when taking back to Afghanistan the body of their leader killed in Kashmir.

10. In none of these cases can the Pakistan or Provincial Government be considered as accomplice, and the efforts of those in authority to check the violence in Karachi and to restore confidence were exemplary. But the harm has been done, and the already considerable exodus of non-Moslems from Sind and other provinces in Pakistan has received tragic impetus. The emigration of Hindus from Karachi now proceeds at the rate of thousands a day, and hundreds of thousands more are said to be pressing for evacuation from the interior. The consequent dislocation of the economic life of Karachi is manifestly disastrous. Hitherto the Parsee element has not shown signs of flight, but it is rumoured that they, too, are beginning to feel unable to stay with safety in Sind. The growing numbers and violence of Moslem refugees from India now in Karachi alarm non-Moslems here, rich and poor alike. Squatting, and the forcible requisitioning of residential property, is one of the most unpleasant features of this situation.

11. The refugee problem as a whole presents, indeed enormous difficulties to all the Provincial Governments. The West Punjab Government is pressing Sind and the North-West Frontier Province to relieve the strain by taking some hundreds of thousands of Moslem refugees from the

East Punjab, Delhi, &c. The Sind Government have hitherto resisted this appeal, and at one time, issued orders prohibiting the entry of any refugee by sea. At the end of the month, however, more generous counsels seemed likely to prevail. The traditional tendency to prevent non-Moslems from leaving Pakistan seems also to have given place to a less obstructive attitude, probably because Gujrat and Parachinar have shown the folly of objection.

12. The latest figures of refugee settlement in West Punjab show 3,200,000 as settled in urban and rural areas out of 5,000,000 refugees entering the Province from East Punjab and the Delhi area. A further 500,000 are in villages awaiting settlement and the rest are, presumably, in camps. These figures differ markedly from the earlier estimate of 4,900,000 already settled. There is probably much drifting, in and out of the refugee camps. Deaths in the camps are numerous, from cold and disease.

13. Discussions of outstanding questions between Pakistan and Afghanistan, which had been making little progress for some weeks, were broken off by the Afghan Special Envoy in mid-January. His demand for the recognition of the tribal areas on the Pakistan side of the Durand Line as an autonomous unit was considered unacceptable, and he resented the Prime Minister's description of these areas as an integral part of Pakistan. There is risk of tension between the two Governments, aggravated by Afghanistan's dislike of her tribes' participation in the Kashmir fighting, unless Kabul can be persuaded to exchange diplomatic missions with Pakistan and continue discussions through that channel.

14. The Afghan Prime Minister was Mr. Jinnah's guest in Karachi from 9th to 12th January. Other distinguished visitors included Mr. Arthur Henderson, on his way to and from the Rangoon celebrations, and the Prime Minister of Ceylon. H.M.S. *Norfolk*, flying the flag of the Commander-in-Chief, East Indies, paid a welcome visit at the beginning of the year.

15. A French Chargé d'Affaires has taken up residence in Karachi. The Swiss Minister in London flew out during the month and arranged for an exchange of Legations. A Turkish Ambassador has been nominated to Pakistan.

16. The United Kingdom Delegation to the round-table discussion of sterling-balances and dollars, headed by Sir Jeremy Raisman, arrived on 6th January and left for New Delhi, after a preliminary tour of the horizon, on 8th January. Pakistan's original refusal to send a delegation to New Delhi, which reflected irritation at India's failure to implement the financial agreement, was later withdrawn; but there seems to be much doubt as to what the delegation has authority, or ability, to do there.

17. A Food Agreement was negotiated between India and Pakistan, under which India sends wheat, barley and sugar in exchange for rice. This was agreed at Secretarial level, where animosities are notably less bitter, and realities more clearly seen, than in the more turbid atmosphere of political charge and counter-charge.

18. A visit to the North-West Frontier Province by the Pakistan Prime Minister seems to have been genuinely successful, and it revealed much good-will on the part of the tribes towards Pakistan. Visits to East Bengal have been paid by the Ministers of Communications, Food and Commerce. A movement for the decontrol of food-grains in East Bengal was successfully resisted.

19. The month ended with tragedy. News of Gandhi's murder in Delhi on 30th January was received with terror lest the assassin might be a Moslem. Later reactions varied from grief at the death of one who had come to be considered as the Moslems' best friend in India to fear lest the removal of his influence might mean an accretion of strength to Sardar Patel, Deputy Prime Minister of India, who ranks as Pakistan's Enemy No. 1.

Karachi, 4th February, 1948.

PAKISTAN

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, Karachi

No. 2 for February, 1948

(Received in the Commonwealth Relations Office, 10th March)

(No. 71)

Repercussions in India to Mr. Gandhi's death were followed with eager interest in Pakistan. Repressive action taken against the R.S.S.S. organisation was welcomed, but identical measures applied to the Muslim League National Guards in India were resented, on the ground that no charge was made against them other than the vague assertion that "they must share the blame for creating a poisonous atmosphere in the country." The fact that the Government of India took no steps to repress the Akali Dal, the militant Sikh organisation, was critically noted; and the announcement that the Hindu Mahasabha had decided to abjure political activity and to confine itself to cultural and social work carried no real conviction here. Hopes that the shock of Mr. Gandhi's assassination might lead to a genuine change of heart in India and a consequent reduction of inter-communal temperatures have been disappointed by evidence of India's recalcitrant attitudes in Kashmir and Hyderabad and by the circumstances of the Junagadh plebiscite. The vast and steady flow of emigration from Karachi by non-Muslim elements is another constant reminder of communal and inter-Dominion tensions. 600,000 out of the 800,000 Hindus remaining in Sind are reported to be anxious to quit.

2. Fighting in Kashmir continues, but there is little authentic news of military developments. The Indian press has carried stories of a major Azad Kashmir reverse near Naushera, involving over 2,000 "raider" casualties. The insurgents claimed over 500 Indian casualties at about the same time. It seems certain that the Indian troops scored a considerable success, and their ability, now that weather conditions are improving, to send in ever larger reinforcements justifies the pessimism with which most people in Pakistan view the Kashmir military situation. The morale of the insurgents, however, remains very

high, and they claim recent support from numbers of the Muslim elements in the Kashmir State Forces and Shaikh Abdullah's own militia. But it is the probability of increasing success for Indian arms that is considered here to explain the unwillingness of the Government of India to accept any decisions by the Security Council not favourable to the Indian case. The course of developments at Lake Success is regarded as entirely uncertain, and a rejection by the Government of India of the Security Council's recommendations, if these are ever formally made, is pessimistically expected. This would put things back to the critically dangerous position of late December, when war between the two Dominions seemed imminent. It is not easy to see what concession to the Indian point of view Pakistan can effectively make, since the essential object of imposing a cease-fire on the Muslim insurgents in Kashmir and their allies from the tribal territories cannot be achieved unless there is far better prospect of an impartial administration in the State, and of the impartial organisation of a plebiscite, than any Indian offer has yet foreshadowed.

3. Efforts made during the month to encourage both Dominions to resume direct negotiations, while they have not been formally rejected by either side, have not produced evidence of an intention on either side to abandon incompatible claims hitherto presented as essential. As a result of frequent raids into Pakistan territory by Indian and Kashmir State troops, details of which have been sent to the Government of India, the Pakistan Government have announced an increase in border patrols.

4. The results of the plebiscite held under Indian auspices in Junagadh to decide the accession of that State to one or other Dominion have been announced as 190,779 in favour of India and 91 in favour of Pakistan. British newspaper correspondents have reported that each ballot

paper had a number and an equal-numbered counterfoil enabling the identification of any officially unpopular voter.

5. The Pakistan Muslim League Council met in Karachi on 21st February under the presidency of Mr. Jinnah. A sub-committee was set up to draft a constitution. A resolution that no Minister or Government official should be eligible to hold office in any organisation of the Muslim League Party, which specifically excepted Mr. Jinnah as President, was amended to exclude him after a speech by Mr. Jinnah himself refusing this distinction. He stated that as he already held three Offices of State, as President of the Constituent Assembly, President of the Federal Legislature and Governor-General, it was impossible for him to be the head of any party or president of a party organisation. The all-India Muslim League, he said, had represented fully the Muslim Nation of the sub-continent of India and had had as its main objective the establishment of Pakistan. Since the division of India, the all-India League had split up, and the Pakistan Muslim League had become a party organisation. In this it would be invidious for himself to be an office bearer. It is possible that Mr. Jinnah, in thus detaching himself from the Pakistan Muslim League Council, may be clearing the deck for future action by himself as Governor-General, designed to circumscribe the authority of provincial administrations, all of which are at present under Muslim League Party Government.

6. The all-India States Muslim League met in Karachi on 4th-5th February and decided to split into two branches, for India and Pakistan respectively. The India Muslim League Assembly Party has dissolved itself with effect from 1st March.

7. Much interest has been shown during the month in the issue of Centre versus Provinces. In the Dominion Parliament, the members for East Bengal claimed that Bengali should be an official language and that Parliament should meet periodically at Dacca. The issue of provincialism found its most dramatic reflection, however, in the proposal to send the Sind Government away from Karachi, to Hyderabad (Sind) or elsewhere, when Karachi is finally selected as the capital of Pakistan. This proposal has not yet been officially sponsored, so far as I know, but it has been widely mooted and has provoked loud resentment among politicians and others in Sind. The Sind Muslim Students'

Union have plastered the town with posters of protest, but their mammoth demonstration unfortunately wilted in a cloudburst and drew no public. The Sind Provincial Muslim League has also protested vigorously against this threat, and the Sind Provincial Assembly went unanimously on record against it. Feeling between the local big-wigs and the invading and ubiquitous Punjabis of the Pakistan Central Government occasionally runs high. The newspaper *Dawn* defends the case of the Central Government with vigour and venom and busily unearths alleged scandals in Sind Government affairs. The Sind Prime Minister, Mr. Khuhro, who was acquitted, on grounds of insufficient evidence, of a murder-charge two years ago, has now acquired control of the *Sind Observer* by persecuting the former owner to the point of penury; and these two newspapers engage in unedifying daily polemic.

8. The Central Government's establishment of a Special Central Police Force to deal with corruption cases (a subject normally within the competence of the Provincial Government) has added fuel to this fire. In announcing this development, the Pakistan Government spokesman declared that no personality, however distinguished, would be immune from the interest of the new police force. As Mr. Khuhro and others are known to be making a great deal of money in various illicit ways, it may well be that this threat was not idly uttered.

9. Mr. Jinnah paid a five-day visit from 11th February to Sibi, the winter capital of Baluchistan, which received the publicity of a Royal Progress. He received numerous delegations of tribal leaders, Muslim Leaguers and others, who presented conflicting demands; some asking for a strict maintenance of existing feudal rights; others for a new and democratic constitution. At a Durbar held on 14th February, he announced that an Advisory Council would be set up in Baluchistan, including representatives of tribal and settled areas to enable himself as Governor-General to keep special watch over the Province. Mr. Jinnah avoided details and contented himself with a vague injunction to all to follow the golden rule of Islam.

10. It had been hoped that some decision might be reached during his visit on the troubled and delicate issue of the accession to Pakistan of the State of Kalat, and opportunity was taken by Mr. Jinnah to discuss this with the Khan of Kalat in

Sibi. The Khan managed to avoid a direct reply by leaving this to his so-called parliament. The Diwan-i-Am of Kalat resolved on 21st February not to accede to Pakistan, but to negotiate a treaty determining future relations. No official news of this resolution has yet been received in Karachi, and it is possible that the Diwan-i-Khas, or Senior Chamber, of Kalat may decide otherwise. Mr. Jinnah is said to be much incensed by the attitude of the Khan and his advisers, but, as so often in his case, a less rigid attitude of his part might have been more effective. The Khan is under pressure from various quarters including, according to one report, the Afghan Government, who would have much to gain by negotiating an agreement on their own terms with the Khan. British oil interests are also involved, since concessions of value have been promised to them by the Khan in the territories now leased to Pakistan, if and when he is legally able to dispose of them.

11. The Parliamentary situation in the North West Frontier Province is obscure. The Prime Minister was credibly reported to favour the institution of what is known as "Section 93 Government"—*i.e.*, government by the Governor and advisers and suspension of parliamentary activity. Mr. Jinnah has, however, instructed him to present a budget in the normal way, and it remains to be seen whether he will rally a majority in the Provincial Assembly. Meanwhile his main adversary, Khan Abdul Ghaffar Khan of the Red Shirt organisation, attended the budget session in the Pakistan Constituent Assembly on 28th February and took his oath of loyalty to the Constitution of Pakistan as by law established.

12. Discontent throughout the North West Frontier Province at current shortages of food and cloth is acute. Figures of crime in the Province for the year 1947 reveal a 50 per cent. increase in murder and a 200 per cent. increase in dacoities in December 1947 over the figures of December 1946. Much of this sinister increase is due to the presence of wandering Pathans on their way to and from Kashmir.

13. In West Punjab the refugee problem continues to dominate administrative thought. Though the movement of refugees from there into Sind by train is proceeding satisfactorily, plans for a massive migration by foot to Sind have hitherto been frustrated by the unwillingness of the

refugees themselves to start off on a further, though final, exodus.

14. In East Bengal a dispute of some acrimony has arisen with the Government of Assam over the boundaries of the Karimganj area, which contains the Patharia Reserve Forest in which the Burmah Oil Company have a potentially important drilling concession exactly straddling the disputed frontier. Armed police sent in by the Assam Government were somewhat ignominiously returned by the East Bengal Government after their hunger had been relieved by the local authorities. The trouble is that the interpretation of the Radcliffe Boundary Award at this point depends on revenue records which are apparently defective, and matters have now reached a stage at which it is difficult for either party to withdraw its claim without loss of face.

15. A wave of labour unrest has disturbed conditions in Western Pakistan during the month. The main grievance arises from the hesitation of the Pakistan Government to implement the recommendations of the former Government of India Central Pay Commission and the establishment of a Pakistan Pay Commission whose recommendations are to be specifically limited by the financial resources of the Dominion. Large measures of retrenchment among railway staff have also worked provocatively. Twelve thousand railway workers near Lahore went on strike and marched on the Provincial Secretariat, and protest strikes at the Attock Oil Company's premises and at other railway centres followed. Messrs. Mackinnon, Mackenzie & Co.'s employees in Karachi struck work for some days, and similar trouble threatened the Port stevedores and the Sind Police, but in these last two cases did not materialise.

16. The Pakistan Constituent Assembly met on 23rd February, when 45 out of the 69 members assembled and took the oath. The Finance Minister presented a balanced budget on 28th February, which had a good reception: details are given in para, 21 below.

17. At ceremonies in Ceylon celebrating independence, Pakistan was represented by Sardar Abdul Rab Nishtar, who took with him a gramophone record of Mr. Jinnah's words of welcome to the new Dominion. The Governor-General's message stressed the bonds between Pakistan and Ceylon, including the fact that both had "suffered

from exploitation at the hands of a foreign power." Their Royal Highnesses the Duke and Duchess of Gloucester stayed at Governor-General's House on 8th February and 17th February on their way to and from Colombo. Mr. Jinnah's hospitality is always grudgingly dispensed: on this occasion his conception of his own importance as host fringed the pathological.

18. Mr. Paul H. Alling, the first American Ambassador to Pakistan, arrived in Karachi on 16th February and presented his letters of credence on 26th February. The new Turkish Ambassador has arrived but has not yet presented his letters. Both are, inevitably, lodged in the Palace Hotel.

19. Hope for better relations between Pakistan and Afghanistan is encouraged by the recent decision of the Kabul Government to exchange diplomatic missions with Pakistan in advance of a settlement of outstanding differences. Afghanistan will be represented by H.R.H. Sher Wali Khan, brother of the Prime Minister, whose appointment is of good augury. The *Hindustan Times*, ably echoed by the Moscow news agencies, continues to accentuate aspects of tension between Pakistan and Afghanistan.

20. The departure from Karachi on 28th February of the 2nd Battalion the Black Watch was marked by a moving ceremony at the quay-side on their embarkation on 26th February. This is the last contingent of British troops to leave Pakistan and, possibly, India. After parading at the Governor-General's House, where Mr. Jinnah briefly addressed them, the Battalion was escorted to the quay-side by Pakistan troops; and further messages of farewell were there delivered on behalf of the Prime Minister and the Pakistan Army. H.Q., British Troops in Pakistan, ceased to exist after their departure.

Economic

21. Pakistan's first Budget was presented by the Finance Minister in the Dominion Parliament on 28th February. Gross revenue for 1948/49 is estimated at Rs.7,957 lakhs and gross expenditure at Rs.8,968 lakhs, leaving a deficit of Rs.1,011 lakhs. The Budget is balanced by new taxation expected to yield Rs.1,016 lakhs. On the expenditure side the most striking feature of the Budget is the high proportion (roughly Rs.40 per cent.) of anticipated expenditure on the Defence Services. Of particular interest on the revenue side

are the liberal concessions made to new industries, the avoidance of fresh direct taxation, and the transfer to the Central Government for the next two years of powers to impose a Sales tax, the Provincial Governments to be suitably compensated for the loss of revenue on this account. Further revenue is to be secured by increases in import duties and new export duties. The initial reaction has been favourable, and it is felt that the Budget provides a convincing answer to critics who prophesied the immediate economic collapse of Pakistan.

22. The Government of India have cancelled their notification of 1st November, 1947, exempting trade with Pakistan from the operation of the Indian Export and Import Control Regulations. This was not unexpected in view of the Partition Council's recommendation that movement of goods between the two Dominions should be allowed freely up to 29th February, 1948.

23. Agreement has been reached between the United Kingdom and Pakistan on the release of Sterling balances for the first six months of 1948. Pakistan is to have a working balance of £10 million, which will be augmented by the release of a further sum of £6 million from the blocked account. In addition, a balance of approximately £4 million, carried forward from 1947, will be available for current use. From within the quantities released, the equivalent of £3.3 million in dollars and other hard currencies is to be made available to Pakistan in addition to her own earnings of these currencies.

24. The supply of cotton textiles to Pakistan has been gravely jeopardised by India's decision to decontrol cloth—a decision apparently reached without consulting Pakistan. The Government of India take the attitude that it is now for Pakistan to obtain her requirements of cloth through normal trade channels, and Pakistan, therefore, has little hope of obtaining the allocations of cloth previously made under the system of controlled distribution. Negotiations between representatives of the two Dominions have broken down on the central issue of the ratio between the number of bales of raw cotton and cotton cloth to be supplied by Pakistan and India respectively. India demanded two bales of cotton for one bale of cloth taken by Pakistan; the latter would not agree to the supply of more than five bales of cotton against four bales of cloth.

25. Control over the movement of goods from Pakistan, imposed by the Sind Government last year under the Sind Essential Commodities (Control) Act, has been transferred to the Central Government. The immediate occasion for this decision was a sensational disclosure in the Press regarding the issue by the Sind Government of a number of permits for which there was no apparent justification; but it had been felt for some time that control of this kind should be exercised by the Central rather than the Provincial Government.

26. On learning that the Pakistan Government had entered into negotiations

with the United States for the supply of considerable quantities of coal, the United Kingdom Government offered, as a measure of dollar economy, to supply 50,000 tons of British coal, provided that Pakistan would make a corresponding reduction in her purchases from the United States. Out of a total allocation of United States coal amounting to 140,000 tons, the Pakistan Government agreed to confine their purchases to 81,000 tons, for which shipping arrangements had already been made; to cancel the balance of 59,000 tons; and to abandon the target of 500,000 tons of United States coal originally proposed.

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No. 43

PAKISTAN

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, Karachi

No. 3 for March 1948

(Received in the Commonwealth Relations Office, 13th April)

The shadow of the Kashmir dispute continues to lie darkly over the two Dominions, though military activities during the month were but slight. Before discussions in New York were resumed after the recess which the Indian delegation had requested, Shaikh Abdullah's position in Kashmir was strengthened by India's proclamation of a new government in Srinagar with himself as Prime Minister. This was followed by the release from the Srinagar jail of Ghulam Abbas, President of the Kashmir Muslim Conference; but any efforts to persuade him to join Shaikh Abdullah's government were frustrated by his immediate departure for Karachi, where he has been widely fêted and has declared that there can be no question of coalition with the Muslim Quisling. The draft Resolution on Kashmir, presented by the Chinese President of the Security Council, which accepts as valid the Indian refusal to admit any participation of Pakistan troops in the maintenance of law and order in Kashmir and the Indian insistence on the retention of Shaikh Abdullah as head of the Kashmir administration, met with instant opposition in Pakistan. It was locally assumed to have been concerted with the Government

of India, and noisy demonstrations of protest occurred in Lahore and elsewhere in the West Punjab. The two points mentioned above are those which seem most likely to prolong the present deadlock in negotiations.

2. Unofficial talks on a military level, designed to secure the evacuation of Indian civilians and troops from the beleaguered town of Poonch in exchange for a cessation of somewhat indiscriminate bombing by the R.I.A.F., promised at one moment to produce a situation in which each side retained territory under its present control, but remained strictly on the defensive. The political implications of such an arrangement proved unacceptable to the Government of India, and when a skirmish near Skardu in the north suggested that the Azad Kashmir leader was unable to impose the desired standstill on his supporters, opportunity was taken to restore "normality." No marked military aggressiveness has, however, been observed on the Indian side since this development occurred.

3. Internal party politics have been marked during the month by the establishment of a separate Socialist Party and

Communist Party of Pakistan; the former by a decision of the Socialist Party of India at its Nasik Convention on 23rd March; the latter by decision of the Second Party Congress of the Communist Party of India in Calcutta. The Secretary of the Sind Communist Party, Bukhari, has announced that the headquarters of the new Communist Party of Pakistan are to be in Lahore. An All-Pakistan Khaksar League also came into being on 25th March. Potentially more interesting is a new party called the All-Pakistan People's Party, which was formed during the month by various disaffected elements including Khan Abdul Ghaffar Khan, Mr. G. M. Syed and Shaikh Hissamuddin, the Ahrar leader. This party issued a draft Constitution aiming at the establishment of a Union of Free Socialist Republics of Pakistan, with much accent on freedom from foreign influence and full rights for minorities. It is condemned by all orthodox Pakistanis, but it may well be found to have some appeal for malcontents.

4. The Pakistan Muslim League, which remains the strongest influence in local politics, is under active organisation by Chaudhri Khaliq-uz-Zaman. A new departure is to be the provision in the Constitution of Peasant and Labour Boards to assist in defining a "settled policy for the uplift of the masses." At a poorly attended meeting at Madras on 10th March it was resolved that the Indian Muslim League should remain in existence, but with a new Constitution concerned with the promotion of Hindu-Muslim unity and communal goodwill.

5. Central and Provincial Parliaments have alike been active. The Constituent Assembly continued to sit as a Central Legislature and duly passed the balanced budget. Among the more important Government statements were declarations that food control would continue; and that Government would spend Rs.10 crores per annum in furtherance of tribal policy based on Islamic brotherhood and the maintenance of the economic, political and social structure of tribal areas. A large number of cut motions, mostly tabled by the Congress Opposition, were negatived. Important criticisms of general administration were made by Khan Abdul Ghaffar Khan and by H. S. Suhrawardy. The former pressed for the removal of all British elements, particularly British Governors, in Pakistan service and for measures of socialisation for the benefit of the masses. The latter, who spoke

specifically as a citizen of India, urged the dissolution of the Muslim League and its replacement by a non-communal national league, a goodwill mission to India and further efforts to fulfil pledges given to the minorities. The activities of Mr. Suhrawardy are regarded with the gravest suspicion by most people in Pakistan. This budget session of the Pakistan Assembly concluded on 12th March. The Central Legislature is due to meet on 10th May.

6. The Legislative Assemblies of East Bengal, West Punjab and the North-West Frontier Province all opened their Budget Sessions on 15th March. Details of the budgets are briefly summarised below, under "Economic."

7. In the Lahore Assembly, there was much criticism, especially by the newly-admitted refugee members, of the handling of refugee relief and rehabilitation, and there were unedifying exchanges of personal abuse between the President of the Provincial Muslim League on the one side and the Premier and Finance Minister on the other. It was announced by Government that controls of all commodities other than food grains would be abolished as from April, and that complete prohibition would be introduced in the West Punjab from beginning of October.

8. In East Bengal, the principal legislative business was the passage of an "Ordinances Re-enactment Bill" giving one year's further life to 22 Ordinances current in the Province. Proposals were forecast providing for the liquidation of all Zamindaris within 5 years.

9. In Peshawar, the Parliamentary Session was interesting because of the attitude of Dr. Khan Sahib, leader of the official Opposition, who was at pains to profess the loyalty of himself and his organisation (the Khudai Khidmatgar) to Pakistan, extending to recognition of the Pakistan flag. He pledged his party's co-operation with the Pakistan Government in "every beneficial programme." His unwillingness to press criticisms to a division, ostensibly in order not to embarrass the Government, was probably due to unwillingness to display the numerical weakness of his party. The introduction of prohibition in the North-West Frontier Province as from October was welcomed as an appropriate Islamic measure.

10. Friction between the Centre and the Provinces is still apparent. Its most marked manifestations during the month have been the criticisms of the Pakistan Minister of Refugees by the West Punjab

Government, in the course of which the Prime Minister of West Punjab announced his intention to resign from the Refugee Council, and the embittered language controversy in East Bengal. The announcement of Urdu as the sole official language of Pakistan although coupled with a statement by the Premier of East Bengal that Bengali would be the official language of East Bengal, has incensed student and other elements in the province, who are already resentful of the high proportion of Punjabis in the provincial administration. Strikes and demonstrations on 11th March led to police charges in Dacca, and the visit of Mr. Jinnah to East Bengal, to which reference is made below, imposed not more than an uneasy truce.

11. During a visit which I myself paid to East Bengal between 5th March and 15th March, I was able to sense something of the feelings of provincial loyalty which underlie these attitudes, and I ventured on my return to Karachi to suggest to the Pakistan Prime Minister that Mr. Jinnah might, with advantage, soft-pedal his usual key-note of "Pakistan first and the province second," and recognise that the Muslims of East Bengal, though good Pakistanis, are also good Bengalis. They want to know what Pakistan is doing for them before they are told what they must do for Pakistan. Mr. Jinnah, who has the suppleness of a matchstick, paid no attention to these hints, if they ever reached him. In his visit to East Bengal, which lasted from 19th March to 29th March he lost no opportunity of insisting that first loyalties must be to the centre, and he stooped rarely, if at all to consideration of more parochial needs. He appears to have had a vociferous reception wherever he went, but I suspect that his tour will have done much to fortify the local Muslim League in its self-conceit and little to attract the unconverted.

12. Refugee statistics given by the Minister for Refugees in the Central Assembly showed that 600,000 Muslims have so far been moved to Sind and 21,000 to the North-West Frontier Province, and that 761,000 remain in the care of the West Punjab Government in sixty-seven camps. Since then, after criticisms in the Lahore Assembly, the Sind Premier has declared his Province's willingness to take a further 50,000 rural and 20,000 urban refugees. Discussions between the Pakistan and Indian Refugee Ministers resulted in agreement on 17th March on various

measures of reciprocity. The movement of non-Muslims from Sind has been investigated by the Indian Director General of Refugees. Over 800,000 non-Muslims are estimated to have left Sind since September 1947, and efforts are being made to get away a further 300,000 by the end of May. Evacuation of non-Muslims from the North-West Frontier Province and from territory controlled by the Azad Kashmir Forces continues: it was unfortunate that one convoy of these refugees was heavily strafed by a trigger-happy R.I.A.F. pilot.

13. Labour unrest, and, in particular, resentment among Government employees at prospective retrenchment and cuts in pay, was manifest during the month; but no serious strikes have occurred. The Minister of Finance has insisted that the remedy for distress among Government employees is to be found rather in reduction of prices than in increases of pay. They are now asking him to make his remedy effective.

14. There has been local effervescence of feeling as a result of communal troubles in Godhra (Bombay). There seems to have been massive destruction of property by fire, and the official Indian casualty figures carry no local conviction.

15. Owing to a sudden breakdown in health, Sir George Cunningham, the experienced Governor of the North-West Frontier Province, has had to retire. His loss will be most gravely felt. Sir Ambrose Dundas, Agent to the Governor-General in Baluchistan, has been offered his succession but has refused, on the ground that a Muslim appointment would be more appropriate. Mr. Jinnah has, however, insisted that Sir Ambrose Dundas should act for the time being in Peshawar.

16. A situation of delicacy and some danger was relieved on 28th March when the Khan of Kalat announced his accession to Pakistan. It seems to be certain that he had already given Mr. Jinnah a personal assurance that he would accede, but, being pathologically unable to take any decision, he wavered in confirming this. When it became apparent that he was merely playing for time, the Government of Pakistan accepted separate accessions by the States of Las Bela and Kharan, which were feudatory to the Khan, and of Mekran, which was never more than a district of the State of Kalat. Eight other Sardars of Kalat were waiting in Karachi, offering to accede to Pakistan; and acceptance of their offers would have left the Khan with little more than his own home-town. The final

push was given, however, by an All India Radio announcement that, according to a spokesman of the Indian States Department, the Khan of Kalat had sent an agent to discuss accession to India. The Khan indignantly denied this story, which may well have been true, and acceded to Pakistan. The future relations between the Khan and Mekran have yet to be determined. Some form of confederacy of the component parts of Kalat seems to be indicated.

17. In the field of foreign relations, the arrival in Karachi of a Turkish and a French Ambassador falls to be recorded. The new Afghan Ambassador is not expected to arrive until late in April. U Tin Tut, Foreign Minister of Burma, spent five days in Karachi at the beginning of the month.

18. In an interview given to a Swiss journalist on 10th March, Mr. Jinnah expressed the belief that differences between India and Pakistan might be resolved provided that India shed her "superiority complex." He stressed the importance of inter-dominion co-operation for the defence of the sub-continent. When asked whether Pakistan would remain in the Commonwealth, he replied that this was for the Constituent Assembly to decide; the answer depended amongst other things on whether this would be as much to Pakistan's advantage as to that of her sister Commonwealth nations.

Economic

19. The Pakistan Government have appointed an Economic Committee of the Cabinet consisting of the Prime Minister and the Ministers for Commerce, Finance, Communications, and Food. Its function will be to decide all matters of policy on issues submitted to it by the recently constituted Development Board. This move was followed by the formation of a Ministry of Economic Affairs of which Mr. Ghulam Mahommed, the Finance Minister, is temporarily holding the portfolio. The precise functions of the new Ministry have not been clearly defined.

20. The Pakistan Budget, the main features of which were indicated in para. 21 of my Appreciation for February, has since been adopted without major amendment, together with the new taxation proposals.

21. It is now apparent that the termination of the Standstill Agreement on the 29th February found both Governments

very largely unprepared. A plethora of new orders and regulations has resulted, many of them issued by local authorities, and commerce and the general public are in a state of some confusion. The present position briefly is that export duties are being levied in full on goods exported to India, where applicable. Import duties are to be levied at the rate of 10 per cent. *ad valorem* on leather goods but on other categories of goods including liquors, motor cars, and wireless receivers, the full rate of duty is to be charged. These are goods not normally manufactured in India, and Pakistan is naturally anxious to secure direct import through Pakistan ports.

22. Discussions have been held between Pakistan and India regarding the future management of Pakistan's currency and foreign exchange by the Reserve Bank of India. According to the original agreement, the Reserve Bank of India was to continue to be the currency and banking authority of the Pakistan Government till 30th September, 1948. The Pakistan Government now propose to take over the control of currency and banking from 1st July, and plans are afoot for the creation of a Pakistan State Bank of which Mr. Zahid Hussain, until recently Pakistan High Commissioner in India, is to be Governor. Transfer to Pakistan of the management of exchange control and public debt will also take effect from 1st July. It was agreed that Pakistan notes and coins would be put into circulation from 1st April, though Indian notes will remain legal tender in Pakistan for a specified period to be announced shortly. In making a formal presentation to the Governor-General of a set of newly minted Pakistan coins, the Finance Minister was at pains to emphasise that there was nothing to warrant the fear of a possible depreciation of the Pakistan rupee and that, in view of Pakistan's ample resources, her currency was destined to be one of the strongest in the world.

23. Three Provincial Budgets have been presented during the month. The West Punjab Budget showed a deficit for the 7½ months of the current year of Rs.586 lakhs and an anticipated deficit for 1948-49 of Rs.683 lakhs. New taxation measures, together with a grant from the Central Government on account of sales tax, are expected to reduce the deficit to Rs.160 lakhs. The East Bengal Budget revealed a deficit of Rs.110 lakhs in 1947-48. Estimates for 1948-49 show

revenue at Rs.1,175 lakhs and expenditure at Rs.1,609 lakhs. The anticipated deficit is further increased by proposed capital expenditure of Rs.139 lakhs. Receipts from various sources including the Central Sales tax and from the export duty on raw jute are expected to reduce the deficit to Rs.142 lakhs. In the N.W.F.P. the effect of political disturbances is reflected in the reduction of the anticipated surplus for 1947-48 from Rs.68 lakhs to Rs.19 lakhs. For the year 1948-49 the Budget estimates show a deficit of Rs.18 lakhs, which will be covered by the surplus from the current year.

24. Despite the Central Government's decision to maintain controls for the time being, the West Punjab Government have decided to remove all controls except those on food grains, which will be reviewed after three or four months. The decision savours of capitulation to vested interests and popular agitation.

25. The abortive negotiations referred to in paragraph 24 of the February Appreciation regarding the exchange of raw cotton

for piece-goods have been renewed, resulting in a short-term agreement up to 31st August, 1948, under which India will supply 12 bales of cloth and yarn for every 20 bales of cotton received from Pakistan *plus* an additional quantity of 25,000 bales of cloth for which no cotton is to be supplied.

26. The Arbitral Tribunal appointed to adjudicate on matters in dispute between the East and West Punjab Governments as a result of partition has given its award. East Punjab's share of the assets and liabilities of undivided Punjab has been fixed at 40 per cent., which means that East Punjab will receive about Rs.16 crores for canals alone. The award also provides for the continued supply by East to West Punjab of electricity from the Mandi scheme until the end of March 1949, but in progressively decreasing quantities.

27. A further food agreement between India and Pakistan provides for the supply by Pakistan to India of some 20,000 tons of rice in exchange for an equivalent quantity of wheat, maize and barley.

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No. 44

PAKISTAN

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, Karachi,
No. 4 for April 1948

(Received in Commonwealth Relations Office 14th May)

A.—Internal

Developments in Kashmir continued to condition relations between Pakistan and both India and the United Kingdom during the month. The lull preceding the presentation of the Security Council resolution was marked by growing local resentment at the part which the United Kingdom Delegation was alleged to be playing in influencing discussions at Lake Success behind the scenes in a sense favourable to India. The resolution, when it appeared, was locally presented in the most favourable light, with emphasis on the admission of major parties to the Kashmir Government and on the possible use of Pakistan troops subject to Indian consent. Authoritative comment was withheld for ten days, but opinion in Pakistan was

firmly against the retention of Indian troops in Kashmir and the continuance of Sheikh Abdullah at the head of the administration during the plebiscite—two features which were said to make the resolution wholly unacceptable. The first more or less official reaction came in a leader in *Dawn* of 27th April. This delay was tactical, arising from a desire to let India reveal her hand first. The *Dawn* editorial made up in outspokenness for any delay, however. It held Britain responsible for the Security Council's *volte-face* since January and asked why Pakistan should remain tied to the apron strings of the United Kingdom who continually let her down. It would be better for Pakistan to stand on her own feet internationally. This suggestion was followed, significantly, a few days later by

the announcement that Pakistan had offered to exchange diplomatic representatives of ambassadorial rank with Russia, a development that would have been impossible in the state of Pakistani public opinion in January. The Prime Minister, at a press conference on 3rd May, echoed the views of the *Dawn* editorial in more sober terms, rejecting the provisions in the resolution for the retention of Sheikh Abdullah and Indian troops and announcing that Pakistan's co-operation with the Security Council Commission—to which she had under protest nominated Argentina—would be limited to an effort to convince it of the resolution's impracticability. Pakistan he said, would stay in the Commonwealth as long as she thought this benefited her and no longer. This last pronouncement had already been made more than once in April; by Mr. Jinnah, in an interview with a representative of the Kemsley press, and by the Prime Minister in conversations with myself and with Sir Percival Griffiths. It may be taken at its face value as a statement of Pakistan's present position. There is general disillusionment at what is regarded as the deal by which Britain betrayed Kashmir for Mr. Nehru's *beaux yeux*, and the risk of Pakistan's secession from the Commonwealth should not be underrated from any such consideration as that she cannot afford to withdraw for strategic reasons; for although Pakistan is obviously wholly dependent on external aid for naval and aerial defence, these are forms of assistance which she might confidently expect to receive, even as an ally outside the Commonwealth, in the event of war between the Western Powers and Russia: meanwhile, the argument that withdrawal from the Empire might bring greater freedom in such matters as the procurement of arms is not without its attractions.

2. Relations with India, despite such encouraging signs of increased readiness to co-operate as the Air Transport Agreement and the Inter-Dominion Agreement at Calcutta (see paragraph 5 below), must also be viewed in the context of Kashmir, Nehru's recent somewhat belligerent utterances on the subject of Kashmir and Hyderabad have caused a resurgence of war fears in the West Punjab and have strengthened Pakistan's conviction that India will accept no solution of the dispute which does not ensure her retention of Kashmir.

3. The Indian army's spring offensive began early in the month, but there were no spectacular developments, though the relief of beleaguered Poonch has averted what would have been a serious blow to Indian prestige. In general, Indian advances have been slow and hampered by effective harassing tactics by the Azad forces. The one important exception was Rajauri, which succumbed comparatively easily to Indian attack; the fall of this township greatly complicates the Azad position on the Mirpur front and produced in addition a panic influx of 35,000 refugees into the neighbouring districts of the West Punjab. Both sides have indulged in allegations of atrocities. A further mass refugee movement from Kashmir is the development most feared by the Pakistan authorities and most likely to lead to increasingly direct intervention by Pakistan forces in the Kashmir fighting. Ghulam Abbas, the Kashmiri Muslim Conference Leader, was early in the month appointed Supreme Commander of the Azad Kashmir resistance movement; he and other Azad Kashmir spokesmen have emphatically rejected the Security Council resolution and have proclaimed their intention of resisting it to the end.

4. Inside Pakistan the most important events have been Mr. Jinnah's tour of the North-West Frontier Province and a series of Cabinet crises. The programme of Mr. Jinnah's ten-day tour would have done credit to a much younger man. He attended military and air force parades and addressed numerous public meetings, his theme being invariably the need for unity and discipline if the task of building up Pakistan into a solid State was to be successfully accomplished. At a joint tribal jirga he promised assistance from Pakistan in the educational, social and economic development of the tribal areas, asking in return for the loyalty of the tribes in defence of Pakistan. His less public activities included an unsuccessful endeavour to persuade Khan Abdul Gaffar Khan to join the Muslim League, and a party meeting, as a result of which the Frontier Ministry has since been expanded by the appointment of Mian Jaffar Shah—former secretary to Dr. Khan Sahib, Premier of the previous Congress Ministry—as Education Minister. Though Mr. Jinnah's tour has been widely acclaimed as a triumphal progress, he did not rouse the spontaneous enthusiasm that marked Mr. Liaquat Ali Khan's earlier tour, his rather

brittle personality and his habit of speaking in English failing to appeal to the rugged Pathan humour. While in Peshawar Mr. Jinnah spoke sternly to the Ministers on the evils of interference with the course of administration. On return to Karachi he plunged straight into crises in both the West Punjab and Sind Cabinets. In the West Punjab the incapacity and rising public criticism of the Premier, the Khan of Mamdot, led to threats of resignation by Mian Mumtaz Daultana, Finance Minister and the ablest member of the Ministry. Efforts to kick Mamdot upstairs into the Pakistan Cabinet failed owing to the impossibility of finding a successor to him as Premier; and though a lecture by Mr. Jinnah, who called the errant Ministers to Karachi for this purpose on 24th April, has produced promises of good behaviour, it seems probable that the days of the present Ministry are numbered, and it is far from clear who will succeed Mamdot. In Sind a split in the Cabinet developed largely owing to the Premier, Mr. Khuhro's appropriation of too large a share of the fruits of office. After a lengthy and unedifying wrangle in the press, the rival faction, which had prudently enlisted the support of the Sind Governor, an old political enemy of Mr. Khuhro, succeeded in securing a reallocation of functions, by which Home and Public Works, the two most profitable portfolios, were removed from Mr. Khuhro. It was at this stage that Mr. Jinnah took a hand and, acting on reports produced by the special Anti-Corruption Police, instructed the Governor to dismiss Mr. Khuhro. A special tribunal is to investigate charges of corruption against him, and, meanwhile, rumour has it that further persons in high places, including possibly Mr. Chaundrigar and Mr. Ghazanfar Ali Khan, are engaging the attention of the Anti-Corruption Police. Mr. Jinnah's courageous and well-timed action against Mr. Khuhro has been widely welcomed by public opinion, which was becoming increasingly disgusted with the corruption and inefficiency of Provincial Ministries. Provincial jealousies are still strong, but there is no doubt that this action has greatly strengthened the Central Government's hand, and it seems possible that, encouraged by this, Mr. Jinnah may endeavour to secure a mandate for increased centralisation when the Pakistan Constituent Assembly reopens on 10th May. It is certain that on grounds both

of economy and shortage of trained administrative personnel, such a development would be highly beneficial.

5. The major refugee movements are for the present over. The massive Hindu exodus from Sind declined towards the end of the month, and though a fresh feature was discernible in the drift back to India of a large number of Muslims who were disappointed with the promised land--(as many as 80,000 are said to have left Sind during the month)—this movement also has ceased, for the moment at any rate. A census published in the third week of the month claimed that the West Punjab received $5\frac{1}{2}$ million Muslim refugees, including 200,000 from Kashmir. Of this total 750,000 were still held in camps, where conditions are still extremely unsatisfactory. A serious incident in the Baoli camp near Lahore, when police attempting to make arrests were set upon by the refugees and forced to open fire, is symptomatic of the existing tension, and the situation has been aggravated by a serious cholera epidemic in the Lahore camps. The accent, however, is now rightly on rehabilitation, and the setting up early in the month by the Central Government of a Refugee Rehabilitation Finance Corporation is a satisfactory, if belated, sign of increased attention to this aspect of the problem, though the capital of rupees 10 million immediately available to the Corporation is manifestly inadequate. The recent establishment of a joint Pakistan—Sind Refugees Council, of which Mr. Liaquat Ali Khan will be the chairman, appears to be a genuine attempt to grapple with the highly unsatisfactory condition of refugees in Sind—a legacy of Mr. Khuhro's provincialism. Unfortunately the West Punjab precedent is not a happy one; friction between Mr. Ghazanfar Ali Khan and the provincial authorities has virtually hamstrung the council, but it is to be hoped that the Sind authorities will now prove more amenable. An encouraging sign that both Dominions genuinely wish to prevent a repetition in Bengal of the Punjab refugee migrations was the satisfactory agreement reached at an inter-Dominion conference held in Calcutta in the middle of the month. After commendably brief and cordial discussions, an announcement was made proposing the setting-up of Provincial and District Minorities Boards in the two Bengals, outlawing irredentist propaganda on the part

of either dominion and laying down a charter of minority rights; provisions in the agreement relating to the inter-dominion movements of goods are discussed under the head economic below. It remains to be seen whether the agreement will be loyally implemented by junior officials on either side, but a good start has been made in East Bengal.

6. Labour throughout Pakistan has been increasingly restive. Although the threatened strike on the North Western Railway has not taken place—the latest “final” strike notice is for 27th May—M.E.S. workers and operatives in the Pakistan mint in the West Punjab, dock and hotel workers in Karachi and Government employees in East Bengal have all been out on strikes of varying duration. The Communist inspiration behind these strikes was for the most part unconcealed; the Karachi hotel workers, for instance, paraded with red hammer-and-sickle flags; and stern warnings against these fifth columnists were issued by the Prime Minister and by Mr. Ghazanfar Ali Khan, the former threatening to follow the example of Indian Provinces in banning the Communist organisation if they continued to make trouble. Some action has since been taken against local Communist leaders, and in Karachi the provincial party secretary and five others are under arrest; but the big men remain at large. It is believed that some of the top ranking Indian Communist leaders may have made their way to Pakistan to escape local purges.

B.—External Affairs

7. Palestine has throughout the month held the centre of the international stage. The mood of jubilation which followed the United States change of plans—this was hailed at the time as a triumph for Arab solidarity—has given place during the month to one of deepening suspicion. The Muslim press unanimously reflects the view that the United States are merely temporising; they have not abandoned the goal of partition but are approaching it by a more devious route. That partition continues to be anathema to the Pakistan Government has been confirmed by Sir Mohd. Zafrullah Khan who, in a statement to the United Nations Political Committee, made it clear that Pakistan would not support any trusteeship scheme if the object of such a scheme was to bridge the gap between the termination of the mandate and the carrying out of partition.

8. To what extent the hysterical press denunciations of Zionism have roused public opinion in Pakistan is difficult to say; but there are few overt signs of any compelling desire to translate sympathy into action. Appeals for funds for the Palestinian Arabs issued by M. Salch Ashmawy, the Egyptian journalist, who has paid a visit to Pakistan as the personal representative of the ex-Mufti, have been sponsored by public men and received much publicity in the press; but it is significant that no mention has been made of the amount contributed, and the response to these appeals is merely described as “not disappointing.” References to the presence of Pakistan volunteers in the “Arab Army of Liberation” have been few and studiously vague.

9. The claims of the Palestinian Arabs for assistance from Pakistan have inevitably been based on the importance of solidarity among the Muslim countries of the world. This is a theme which shows signs of becoming increasingly popular in Pakistan. It was a favourite talking point with the goodwill mission of Iranian journalists, who completed a tour of Western Pakistan during the month and appear to have left a favourable impression. The emergence of associations designed to promote cultural relations between Pakistan and various Muslim countries, and the prominence given to the activities of the All-Pakistan Arabic Society, with particular reference to the importance of propagating a common medium for the Muslim world, are further indications of the same trend of thought. But the Pan-Islamic concept remains an abstract, and talk of a Muslim World Federation avoids the practical issues.

10. On the diplomatic front, an important development has been the arrival of His Royal Highness Sardar Shah Wali Khan, the Afghanistan Ambassador to Pakistan, and the appointment of Mr. I. I. Chundrigar, until recently Pakistan's Minister of Commerce, as Ambassador to Afghanistan. The latter appointment is understood to have been favourably received in Kabul, where it is considered that the Afghan gesture in sending an eminent member of the Royal Family has been adequately reciprocated. But the appearance in the North-West Frontier Province, of pamphlets attacking the Afghan Government and Royal Family, and the continuance of the Afghan press campaign in favour of “Pathanistan”

have not improved the atmosphere. The appointment of Mr. Mohammed Ali as Pakistan's Ambassador to Burma, and of Mr. Abdus Sattar Saith as Pakistan's Ambassador to Egypt, have also been announced.

C.—Economic

11. The month has been notable for a comprehensive statement of Pakistan's industrial policy. The statement indicates the broad lines along which industry in Pakistan is expected to develop, with particular emphasis on cottage industries and the maximum utilisation of indigenous materials. Nationalisation schemes will affect communication and transport services (though the operation of river and air transport has been left to private enterprise for a limited period), the generation of hydro-electric power, and the manufacture of arms and munitions of war, railway wagons and telephone, telegraph and wireless equipment. Control over other undertakings will be confined to initial planning by the Centre; this will include the location of industrial units and the procurement of capital goods and raw materials in short supply. Of particular interest is the announcement of policy in regard to foreign capital. Such capital, it is stated, will be welcome, subject to the participation of Pakistan nationals in the administrative and technical services manning the industry; subject also to the subscription from indigenous sources of at least 51 per cent. of all share capital in the case of 13 industries of national importance, the proportion being lowered to 30 per cent. in the case of other less essential undertakings. Participation of foreign capital in oil concerns is still under consideration. Such concerns are on a special footing. Their case is that prospecting operations are costly and it is unreasonable to expect that, having incurred the risks involved in these expensive preliminaries, they should then surrender control of Pakistan shareholders. The reaction of the British business community to the White Paper has not been unfavourable, but it is believed that capital from other countries, including the U.S., is unlikely to be attracted by the terms offered.

12. A conference was held at Calcutta in the middle of the month to discuss means of mitigating the dislocation of trade caused by the expiry of the Standstill Agreement. No substantial progress was achieved in tackling the complex question of the

exchange of commodities between the two Dominions; but the Conference revealed genuine agreement at official level on the supreme importance of encouraging the flow of goods vital to the economy of each Dominion. Both sides undertook to examine their respective export control and tariff schedules to see what relaxations could be made. On the question of transit arrangements a decision of some importance was reached. It was agreed that each Dominion should take effective measures to ensure smooth transit facilities to the other Dominion in accordance with the provisions of international agreements governing such transit. Pakistan and India are both signatories of the International Trade Charter, and one of the most important effects of the decision, as interpreted here, is that India will now be under an obligation to accord facilities for the transport of raw jute from Eastern Bengal for export from Calcutta. Tea and oil are among the other essential commodities of which free movement should now be possible.

13. A serious dispute has arisen between the Governments of the two Punjabs regarding the supply of canal water to West Punjab. According to an agreement reached last December, the East Punjab Government undertook to continue the supply to West Punjab of water from the Upper Bari Doab and the Dipalpur canals up to 31st March. It seems that, on account of other preoccupations, the West Punjab Government made no arrangement to replace the agreement on its expiry, though they claim to have requested extension up to September. They further claim that, though this request was refused, the East Punjab Government gave an assurance that there would be no stoppage of supplies. Water was, nevertheless, cut off on 31st March. A meeting of Chief Engineers of both Punjabs was held in Simla on 15th-18th April, when the East Punjab delegation presented a draft agreement which provided for the continuance of supplies on condition that the East Punjab paid not only their share of the charges on the irrigation system, but also consumer charges based on East Punjab's claim to ownership of the canal water. The agreement was signed by the Chief Engineers but was not ratified by the West Punjab Government, who objected to the levy of "seignorage" rates. An interim settlement has since been reached, but meanwhile standing crops as well as the prospects of

the autumn crop have suffered seriously over an area of some 1½ million acres.

14. A Conference, at which all Provinces and States as well as the Centre were represented at ministerial level, was held towards the end of the month to discuss the continuance of economic controls and allied matters. Arguments for and against controls followed familiar lines. With the exception of the Finance Minister, who is averse to the control system, the Central representatives insisted on the need for continuing them; but the consensus of opinion—most vocally expressed by the non-official representatives—was plainly in favour of immediate abolition in the case of commodities not in short supply, and of progressive abolition in the case of commodities which were still scarce. In regard to the latter class of commodities, the Conference urged that strenuous steps be taken to improve the supply position; and this led to a lengthy discussion on cloth, the Conference recommending expansion of the hand-loom industry and arrangements for the processing of Pakistan raw cotton abroad. Much time was also devoted to the question of corruption, which is largely responsible for the growing dissatisfaction

with the control system. No definite decision was taken, but it is expected that anti-corruption legislation will be overhauled and the hands of the anti-corruption police strengthened.

15. The annual meeting of the Karachi Chamber of Commerce was mainly remarkable for the acceptance by Mr. Jinnah of an invitation to address the Chamber. This acceptance was no doubt influenced by the fact that the Chamber had decided to disaffiliate itself from the Associated Chambers of Commerce of India and form a separate Associated Chamber of Pakistan. Mr. Jinnah gave an assurance that the Pakistan Government intended to let the channels of trade flow as freely as possible and to remove as many internal controls as circumstances permit. He also made the first definite pronouncement that Karachi would continue to be the capital of Pakistan.

16. It has been a busy month for the Communications Ministry, who have succeeded in negotiating air agreements with no less than three countries, India, Ceylon and Sweden. The agreement with Sweden has been signed; the other two agreements await ratification.

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No. 45

PAKISTAN

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, Karachi,
No. 5 for May 1948

(Received in Commonwealth Relations Office 23rd June)

A.—Inter-Dominion

In Kashmir, where a re-grouping of the Indian forces under new command has been followed by a determined Indian offensive, the threat of war between the two Dominions is now a daily apprehension. It has always been Pakistan's policy to prevent, if possible, any such collapse in Azad Kashmir resistance as might provoke further mass migrations of Muslim refugees from Kashmir into the West Punjab, since these, it is believed, would shatter the already shaky structure of the Province and spell the ruin of Pakistan. Rumour has been busy for some time with the alleged presence in Kashmir of three

"long-stop" Pakistan battalions, defensively placed to keep the Indian troops away from certain sensitive areas. The Indian Press has reported the capture of prisoners from one or other of these regular units, and Pandit Nehru has publicly condemned their presence in Kashmir. The immediate danger is thus one of open clash between these Pakistan and Indian forces, as the latter's progress westward from Uri carries them towards the vital key-point of Domel. In the South, the Indian garrison of Poonch have notably extended their perimeter and are no longer in jeopardy, but the main thrust seems to be in the North. Sober elements on both

sides pray for the early arrival of the United Nations Commission, as offering the only hope of averting massive tragedy.

2. Reports from an independent British source of the Kashmir "Independence" celebrations suggest that a number of Kashmiri Brahmans as well as most Kashmiri Muslims, are (for reasons of their own) opposed to Sheikh Abdullah and are pro-Pakistan. Mr. Sri Prakasa, Indian High Commissioner in Pakistan, who attended the Srinagar celebrations, told me that he had organised too many demonstrations himself to be impressed by the crowd's welcome to Pandit Nehru.

3. Pakistan's formal statement of inability to implement the Security Council's resolution about Kashmir was endorsed by public opinion and by the Press of all complexions. On 31st May, Sir Mohammed Zafrullah Khan re-asserted his Government's intention "to co-operate with the U.N. Commission in so far as it attempted to bring about the conditions needed for a free and impartial plebiscite." India's resistance to any U.N. Commission enquiry into the issues of Junagadh, genocide and breaches of inter-Dominion agreement, has been scornfully condemned by the Pakistan Prime Minister.

4. Border incidents continue to bedevil relations between the two Dominions, both on the West Punjab frontier and between East and West Bengal. Violations of the frontier by R.I.A.F. aircraft are frequent; and in one inexcusable bombing incident at Garhi Habibullah in the Hazara district of the North-West Frontier Province, twenty-one villagers were killed and twelve wounded.

5. Negotiations for the exchange of (civil) prisoners broke down on India's refusal to include in the transfer prisoners convicted in Delhi for acts arising out of the communal disturbances. The bright spot of the month in Pakistan-India relations was the agreement signed in Karachi on 26th May for the reciprocal supply of essential goods, the details of which were not available at the month's end.

6. Mr. Jinnah's message of congratulation to Mr. Rajagopalachari on his forthcoming appointment as Governor-General of India expressed the hope that this would bring real friendship between the two Dominions. Relief at the departure of Lord Mountbatten is universal in Pakistan, for his influence is assumed to have weighed the scales heavily in India's favour in Cabinet deliberations in London. The

Pakistan Prime Minister has declared himself delighted that the world will now know that the Governor-General of India is an Indian, speaking with Indian prejudice, instead of someone who sounds neutral, but is not.

B.—Internal

7. Mr. Jinnah's health became once more an anxiety, and he left Karachi on 25th May for Ziarat, a hill-station near Quetta, where he is likely to stay for some time. Only physical weakness or nervous exhaustion can explain his wholly ineffective handling of the ministerial crisis in West Punjab. His aloofness is now morbid.

8. Something of Mr. Jinnah's own petulant resentment of all criticism marks recent attitudes of the Muslim League, which seems unable to stomach the existence of any rival group. The "Pakistan People's Organisation" which met on 8th-10th May to discuss its constitution, chose to make Khan Abdul Ghaffar Khan's "Red Shirts" the nucleus of its Volunteer Corps. *Dawn* called at once for stern action by the Government against this "Indian Congress Fifth Column." Mr. H. S. Suhrawardy, whose taunts and advice, exasperate the orthodox, has been labelled "disruptionist" and prevented from free movement in East Bengal. A persecution complex is generally evidence of some basic disequilibrium, and it is disturbing to find Pakistan constantly represented by League orators as beset by enemies on every side and menaced by saboteurs within. Absolute solidarity is, of course, demanded as the only alternative to disaster. Chaudri Khaliq-uz-Zaman, the League's official recruiting sergeant, pleads for a strong Muslim League to bridge the gulf between Government and people, and makes the unpopular suggestion that, to enable this, the League's office-bearers should refuse any ministerial posts. He now openly condemns the advocates of "Shariat Government" as hypocrites, who use an impressive catchphrase for their own ends, and claims that true Islamic democracy can only be established through the Constituent Assembly and the Muslim League, when people are educated up to it. The League thus follows Mr. Jinnah and Liaquat Ali Khan in resistance to the Mullah's demand for a Koranic type of constitution; but much lip-service is paid to Islamic ideology, none the less.

9. It is partly, no doubt, the conflict between orthodox democracy and the one-party system for which the Muslim League

manifestly yearns that delays any progress in constitution-making here. Another difficulty is the clash of views to which I have just referred, between the Mullah-inspired advocates of "Shariat Government" and those who prefer a Turkish to a Saudi-Arabian constitution. To these difficulties may be added that of making any drastically restrictive definition, in the present Governor-General's life-time, of his rôle in Pakistan affairs.

10. In spite of the constant appeal for Muslim League solidarity, increasing fissiparous tendencies are revealing themselves in the League, both at Provincial Government level and below it. The Constituent Assembly's decision to make Karachi a centrally-administered area imposes a grievous strain on the loyalties of the Sind Muslim League. A dissentient "Islamic" group has emerged in the Frontier Muslim League Party, and a schism in the East Bengal Provincial Muslim League led to a physical clash between rivals. Lahore and Karachi municipal politics have both produced splits in the local Muslim League Party over the choice of candidates for the post of mayor. The most glaring example of League tensions is the prolonged ministerial crisis in the West Punjab, which threatens to corrupt and disgrace the whole administration of the Province.

11. Meetings of the Central Legislature, which sat during the last fortnight of May were, on the whole, perfunctory. Public interest focused mainly on the amendment of the rules for membership of the Assembly, which deprived Mr. H. S. Suhrawardy (who has declared himself an Indian citizen) of his seat; on the decision to make Karachi the capital of Pakistan, and on the heated debates on refugee rehabilitation.

12. The Refugee Ministry moved from Lahore to Karachi at the end of May. It is not yet known who will succeed Ghazanfar Ali Khan as Minister when he takes up his new post in Teheran. The Indian Press has renewed complaints of official obstruction to the departure of non-Muslim refugees from Sind. Local feeling holds that, left to themselves, the great majority of these Sindhi Hindus, who have deep roots in the Province, would prefer to remain where they are; but the fear that Karachi offers no future for them will be increased by the Karachi Corporation Muslim League Party's decision to return a Muslim mayor for the next term. This

is in contravention of a fifteen-year-old convention whereby the post of mayor of Karachi was held in rotation by a Hindu, a Muslim, and a member of the remaining minority communities. In view of the changed composition of the town's population since partition, however, the decision is not an unfair one. Mr. Justice O'Sullivan has been appointed Custodian of Evacuees' property under an ordinance not yet promulgated. Central and district refugee committees, to advise the local Government on rehabilitation problems, are being set up in Karachi and elsewhere in Sind.

13. The labour situation improved during May. A strike by the North-West Railway Union called for 27th May was postponed, but employees of the Accountant-General, Pakistan Revenues, struck for seven days for better conditions of service. The Ministry of Labour reports the setting up of a Central Labour Commissioner's office and an Industrial Tribunal for the adjudication of disputes.

14. In East Bengal the Cabinet was expanded by the inclusion of three new members. The Prime Minister's decision to prevent Mr. H. S. Suhrawardy from free movement in East Bengal has been referred to in paragraph 8 above. It is probable that this decision was provoked by Nazimuddin's fear of a dangerous political rival rather than by the alleged disruptionist tendencies of Mr. Suhrawardy. It is further disturbing evidence of the growing practice of meeting opposition with legal restraint instead of argument.

15. Long-standing tension between landlords and tenants in the Peshawar district of the North-West Frontier Province came to a head in early May, and exploded in arson and bloodshed. Unrest persists, and this might lead to general agrarian disturbances aggravated by tribal raiding. A measure providing for the compulsory procurement of food grains from producers at controlled prices was, characteristically, enacted by Ordinance, immediately after the session of the Provincial Parliament which should have pronounced upon it.

16. In Sind, the forthcoming trial of Mr. Khuhro arouses wide interest. More interesting still to residents of Karachi is the decision to make this the capital of Pakistan under an administration separate from that of the Province of Sind. There is much resentment about this. Law and order in upper Sind shows signs of

deterioration, with recrudescence of outrages by the Hurs.

17. In the West Punjab, the hope that Mr. Jinnah would impose a solution of a long drawn-out ministerial crisis was disappointed. Mr. Jinnah in effect passed the baby back to the Governor of the West Punjab. On 28th May the Finance and Revenue Ministers resigned, but by double-crossing everybody concerned, Mamdot, the Prime Minister, still survives, with a new group of incompetents who impress nobody. Rumours current in Lahore that 15th June would be D-Day for some aggressive action by India or the Sikhs, or both, led to disturbing anti-native Christian and anti-Anglo-Indian manifestations, and resultant spy-fever produced three externment orders against British residents in Rawalpindi, which have since been quashed. Reports from New Delhi suggest that similiar apprehensions regarding 15th June are current there. These probably derive from some confused recollection that British authority in the Indian sub-continent was due finally to disappear in June 1948, with the additional expectation that Lord Mountbatten's impending departure may remove the last brake on Indian irresponsibilities

C.—States

18. Pakistan interest in Kalat is marked by the appointment of a Political Agent, whose authority will be considerable. The removal of the Chiefs of Kharan and Las Bela, and the appointment of Pakistan Wazirs in their territories, is expected. *Dawn* has launched an attack on the internal administration of Kalat and on Mr. Fell, the Prime Minister, which may presage the latter's disappearance from the scene. This would be unfortunate, for Mr. Fell had hopes of effecting a real and much needed overhaul of the State's administration.

19. Tension between India and Hyderabad is watched with grave anxiety in Pakistan.

D.—External Affairs

20. In this field, Palestine has, of course, monopolised attention, and large demonstrations of protest against President Truman's policy have paraded the streets and clamoured outside the American Embassy. The Minister of the Interior issued a statement assuring the "loyal Jewish nationals of Pakistan" that they need have no fear of molestation: never-

theless, an incident involving the occupation of a synagogue by storm-bound refugees has perturbed local Jewry. Support for the Arabs has so far expressed itself in the passing of resolutions and the offering of prayers rather than in active recruitment of volunteers, but Mr. Jinnah has sent £2,000 as a personal contribution to the Arab Fighting Fund. Sir Mohammed Zafrullah Khan, shortly after his return to Karachi from Lake Success, gave to a press conference a good objective analysis of the Palestine problem. It is just possible that the public demonstrations of hostility to the pro-Zionist stand taken up by the U.S.A. and U.S.S.R. may encourage the Pakistan Government to suggest postponement of the recently agreed exchange of diplomatic representatives with Soviet Russia.

21. In the Pakistan Assembly Zafrullah Khan spiritedly defended United Nations Organisation against its critics, and even *Dawn* now describes U.N.O. as unquestionably the best instrument yet designed for systematising international relations. The occasion was his request for the Assembly's approval for legislation enabling Pakistan to discharge her obligations under the Charter, and to recognise the jurisdiction of the International Court of Justice.

22. Exchanges of diplomatic representatives have been agreed in principle with China, Yugoslavia and Saudi Arabia. A Belgian Chargé d'Affaires is expected in Karachi very shortly.

23. The electoral defeat of Field-Marshal Smuts had a mixed reception. He is credited with relative moderation in his attitude towards Indians, and grave misgivings are expressed about his successor's policy and its issue. On the other hand, the downfall of the man responsible for South Africa's recognition of the State of Israel provokes some local satisfaction.

E.—Economic

24. Representatives of Pakistan and India met in Karachi early in the month to discuss matters of mutual concern likely to be raised during the London talks on sterling balances and, where possible, to evolve a common line of approach. Some measure of agreement appears to have been achieved; in particular, the joint resolve of both Dominions to resist any attempt at scaling down the unpaid balances has been prominently reported. Talks at official level started in London towards the end of the month. Comment in the Pakistan press

has been pitched in a minor key. There seems to be a tacit understanding that India, with her very much larger stake, is better suited to the rôle of protagonist in matters where the interests of the two Dominions coincide. Moreover, due to the inordinate delay in granting import licences, Pakistan has made comparatively small inroads on her sterling resources and is less exercised over the question of immediate releases.

25. A Japanese Trade Mission paid a visit to Pakistan towards the end of the month. They were given a good deal of publicity, but no very concrete results appear to have emerged, apart from a quickening of interest in the possibilities of future trade with Japan. The Mission was mainly interested in the purchase of raw jute and cotton, hides and skins; offering in return machinery, cotton textiles, crockery and silk goods. Pakistan is reported to have agreed to sell 15,000 bales of raw cotton—a mere fraction of the quantity hoped for by the Mission, who, in fact, arrived somewhat late in the day so far as Pakistan's exportable surplus of cotton is concerned. A Trade Mission from Pakistan is likely to visit Japan in the fairly near future.

26. Pakistan's interest in Japan as a source of cotton textiles must be sustained so long as the prices of Indian cloth remain high and until confidence has strengthened in the reliability of barter agreements with India. That the present cloth situation is a source of serious embarrassment to

Government has become increasingly clear during the month. Vigorous attempts are being made to encourage the hand-loom industry, and at a largely attended and much publicised meeting the Pakistan Prime Minister took a pledge that he would only buy foreign cloth if Pakistan-made cloth was not available. This method of propaganda is likely to be pursued.

27. The drive to step-up exports of jute from East Bengal is gathering momentum. Committees have been established for the planning and co-ordination of rail and port facilities at Chittagong and Narayanganj, and an Inland Water Board and Rail/River Transport Control Board have been created. Legislation has also been enacted to enable the Central Government to assume authority over the Port of Chittagong. This is felt to be justified in view of the heavy programme of development envisaged, but similar legislation enabling the Central Government to assume control over the Port of Karachi has evoked some criticism, particularly in view of the satisfactory record of the Karachi Port Trust.

28. The interim agreement on the East/West Punjab Canal Water dispute (para. 13 of the Appreciation for April) rested on the assumption that supplies of water by the East Punjab Government would progressively be decreased. The West Punjab Government are, in consequence, feverishly engaged in tapping alternative sources of supply. A start has been made on a new canal to link the Ravi with the Upper Bari Doab Canal.

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No. 46

PAKISTAN

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, Karachi, No. 6 for June 1948

(Received in Commonwealth Relations Office, 20th July)

A.—Inter-Dominion

There was less activity than usual in Kashmir in the first half of the month, and attention was concentrated on the somewhat leisurely preparations for the departure of the Security Council Commission. The Final decision to empower the Commission to enquire into the further issues of Junagadh, genocide and India's breaches of agreements with Pakistan,

from which the Security Council was not moved by Mr. Nehru's protests, was regarded as a victory for Pakistan. India's hostile attitude to the Commission, instanced by her refusal to appoint an observer, and by suggestions that the Commission would not be allowed to visit Kashmir, was watched in Pakistan with mixed anxiety and satisfaction—anxiety lest India might succeed, by a judicious

admixture of deception and non-co-operation, in preventing the Commission from functioning effectively; and satisfaction at the unfavourable impression which it was felt India's attitude, stemming from a guilty conscience, as Mr. Liaquat Ali claimed in a public rejoinder to Mr. Nehru's protests, must create on world opinion. The wish to present a contrast in this respect to India doubtless accounts to some extent for the warmth of Pakistan's reception to the Commission; but there is also a genuine hope in Pakistan that the Commission will succeed in paving the way for a really fair plebiscite, in which a verdict in favour of Pakistan is predicted with growing confidence.

2. As the date for the Commission's arrival drew near both sides intensified their propaganda campaigns. Both the Indian Army and the Azad Kashmir forces have recently claimed major victories. In fact, with the Indian advance on Domel effectively held, fighting in Kashmir has latterly been spasmodic and not generally on a large scale, the most significant development being the capture at the end of the month by Indian troops of the Mendhar Valley between Poonch and Rajauri. This produced a further large stream of Muslim refugees, to the alarm of the Pakistan authorities. The presence of regular Pakistan units in Kashmir is now freely mentioned in the Indian press, and appears to be accepted by both sides, though it is not officially admitted to India by Pakistan. To ensure that the Indian advance westwards is halted, Pakistan have found it necessary to increase the numbers of their troops, particularly in the north-west. It appears that there are now rather more than two Pakistan Brigades in the Domel area, and a further Brigade in the Mirpur area, and there has been a reorganisation of Divisional Headquarters on the border to ensure closer operational control. Pakistan's propaganda campaign has concentrated chiefly on alleged Indian Army atrocities, which it is hoped the Commission will investigate, and on a movement to bring home to the public in Western Pakistan the close racial and strategic ties between Pakistan and Kashmir. The West Punjab was engaged at the end of the month in celebrating a "Kashmir Week," at which speeches on this theme, urging all-out support for Kashmir, were made by the West Punjab Premier and Ministers, and by Ghulam Abbas, President of the Kashmir Muslim National Conference, and the Azad Kashmir Government. Large

sums are reported to have been collected in support of Kashmir.

3. Hyderabad has rivalled Kashmir's claims to the headlines. Attention was focused on the State by the Publication of India's "minimum demands," and by Mr. Nehru's belligerent Delhi speech of 6th June, denying the State's right to exist as a separate unit. Thereafter the progress of negotiations was watched with mounting anxiety, until the final breakdown. As was to be expected, the presentation of news and comment were violently anti-Indian, with the emphasis on the bellicosity of Mr. Nehru's utterances, and on India's "Nazi methods." Stories, however wild, of Hyderabad resistance, were eagerly devoured, and sympathy was freely expressed with the exploits of Razakars. Matters did not end there, however. Rumours of gun-running from Pakistan to Hyderabad, which first appeared in the Indian press about the middle of the month, crystallised into reports, now fully substantiated, that a private British Company was operating Lancastrian aircraft from Karachi to fly arms, ammunition and other military stores into Hyderabad. These arms were partly imported from overseas—Europe and possibly also the Middle East; but it may well be that Pakistan contributed her share from her own arsenals, and the Company concerned has received all possible help and co-operation from the Pakistan Government. With the lack of any startling developments after the breakdown of negotiations, excitement has waned, though interest was aroused by Mr. Churchill's suggestion that Britain should mediate in the dispute, and by his subsequent prognosis of an early Indian invasion of Hyderabad, which provoked Mr. Patel's angry rejoinder. There is a growing feeling, however, that Hyderabad cannot effectively resist India's demands, and that there is little Pakistan can do at this distance to help her. Nothing has recently been heard of suggestions, at one time popular, that Pakistan should take the Hyderabad case to the United Nations.

4. The rumours of communal and specifically anti-Christian disturbances on 15th June mentioned in last month's Appreciation assumed alarming dimensions; and it was necessary for special precautions to be taken in the West Punjab, where the Premier issued reassuring statements about his Government's determination to protect the minorities. Similar steps were taken and statements issued by the Indian authorities in the East Punjab

and Delhi. In the event, no disturbances took place in Pakistan on 15th June or subsequently; but the incident serves to indicate how tenuous is the present comparative peace and order in the West Punjab. There were no communal disturbances of note during the month, though border incidents continued. A welcome sign of improved communal relations was a conducted visit, which passed off without incident, of fifty Sikhs from the East Punjab to shrines in Lahore.

5. The feeling, universal in Pakistan, that Lord Mountbatten's influence with the British Cabinet was used to secure unfair conditions for India, coloured local comment on his departure. Mr. Rajagopalachari's assumption of office, on the other hand, was widely welcomed; his earlier stand for Pakistan has not been forgotten here, and there is relief at now having an Indian to deal with, however wily.

6. The Pakistan Refugee Minister claimed at a press conference that out of 6,500,000 Muslim refugees who had entered Pakistan, 4,000,000 had already been resettled, and only about 550,000 were still in refugee camps; the rest he assumed to have spread into towns and villages. This estimate of progress in resettlement is undoubtedly optimistic. The rehabilitation of refugees continues to be the plaything of Provincial politics, and the recently formed joint Pakistan-Sind Refugee Council is proving no more effective than its West Punjab counterpart.

B.—Internal

7. Further examples of the persecution complex mentioned in last month's Appreciation have not been lacking, and Pakistan's progress towards a police State is rapid. Mr. Suhrawardy's externment was followed by the arrest on 15th June of Khan Abdul Ghaffar Khan in the North-West Frontier Province on a charge of conspiring with the Faqir of Ipi and creating disaffection against Pakistan. A third victim was Mr. G. M. Syed who, a few days later, was interned in a village in Upper Sind, again for "anti-Pakistan activities." Abdul Ghaffar Khan and Mr. Syed were respectively President and Secretary of the Pakistan People's Organisation and their removal from the scene, inspired obviously by the Central Government, leaves the only opposition party to the Muslim League without leadership. Excitement was added by the much publicised arrest of a messenger alleged to be on his way from the

Faqir of Ipi to Mr. Nehru with letters asking for Indian assistance in raising the tribes against Pakistan. The Pakistan Government are convinced that they have nipped in the bud an ugly plot to make trouble in the North-West Frontier Province and tribal areas, timed to coincide with the appearance of Indian troops on the frontier at Domel.

8. Mr. Jinnah, who refused to allow his Provincial Governors to celebrate the King's birthday with official functions, made a State entry into Karachi on his return from Quetta at the end of the month. The occasion was marked by a salute of 31 guns, and free transport was provided to encourage the populace to greet the "Father of the Nation" at the airport. Mr. Jinnah's opening of the State Bank two days later was also an affair of pomp with regimented crowds. Instructions have been issued for his portrait to be displayed in all Government offices. A significant amendment of the Indian Independence Act, which, with the Government of India Act, does duty as a Constitution until Pakistan evolves her own, is rumoured. It will enable Mr. Jinnah to assume direct control of a provincial administration in an emergency—a power with which he would doubtless have been glad to have been armed when facing the West Punjab Ministry last month, and which he may now need to use in Sind.

9. Despite the loudness with which the Central Government whip is cracked, the Provinces are exhibiting growing independence. In the West Punjab, the Mamdot Ministry survives amid growing scandal and odium. In East Bengal, Central Government dissatisfaction at inadequate scheduled caste representation has not succeeded in inducing the Premier to enlarge his Cabinet, despite a personal visit from Mr. Mandal, the Pakistan (Scheduled Caste) Labour Minister. The most open defiance was seen, however, in Sind, where resentment at the decision to make Karachi a separate centrally administered Pakistan capital exploded in a meeting of the Provincial Muslim League on 11th June, which called for the resignation of the Governor and the Ministry and the convening of a special session of the Provincial Assembly over this issue. Proposals for "direct action" were mooted, and a deputation was sent to acquaint Mr. Jinnah in Ziarat with the strength of local feeling. The deputation got little comfort from Mr. Jinnah, whose advice was loyal adherence to the Pakistan

Constituent Assembly's decision, and it appeared at one time possible that an endeavour to organise provincial resistance to the separation might be made. The Provincial League has since, however, bowed to the inevitable and accepted the principle of separation, though at the same time maintaining demands for compensation and special treatment that are likely to embarrass the Central Government.

10. 21st June, the final date for enlistment of members for the Pakistan Muslim League passed practically unnoticed. Chaudri Khaliqzaman, the League organiser, has since claimed over three million members in the West Punjab, East Bengal, and Baluchistan. Even these by no means impressive claims are probably exaggerated, and the recruitment campaign is flagging. The Mullahs of the North-West Frontier Province have expressed the intention of forming a "Shariat group" in the Muslim League to work for the conversion of Pakistan into a strictly Islamic State, and further emphasis on Islam was seen at Pakistan's Advisory Board on Education which met early in the month and resolved that the "Islamic ideology" should permeate the whole Pakistan education system. The All-India States Muslim League meeting in Karachi at the end of the month followed the earlier example of its parent body and resolved to divide into separate organisations for Pakistan and India.

11. Although there was no serious labour trouble during the month and the only strike of note was one in the office of the Accountant General, Pakistan Revenues, there have been renewed signs that all is not well on the Labour front. The most important of these was the extremely poor reception given to the interim proposals of the Pakistan Pay Commission, which were submitted to the Government on 15th June and announced at the turn of the month. The total concessions will cost about Rs. 8½ million during the current financial year and are yet alleged to fail to give adequate relief. They thus fall between two stools, and really vigorous action by Government to give relief in kind and check the rising cost of living will be necessary if serious labour trouble is to be avoided.

12. There has been little worthy of note in provincial affairs, apart from tensions between the provinces and the centre commented on above. An exception to this was the North-West Frontier Province, where a number of small signs that all was not well

beneath the surface, including the murder of the British Political Agent, South Waziristan, and the arrest of Khan Abdul Ghaffar Khan already mentioned, culminated in an outbreak of hostility by the followers of the Faqir of Ipi in which one Frontier post was burnt down and another attacked, forcing the authorities to resort to air action. The Frontier Premier claims that the Faqir of Ipi had been receiving considerable sums of money from the Indian Embassy in Kabul and that the deterrent action taken against his followers, together with the arrest of Khan Abdul Ghaffar Khan and other "agitators," saved the province from a dangerous conspiracy.

C.—External Affairs

13. The Palestine situation continues to be viewed exclusively through Arab eyes. The Arabs have been commended in turn for their acceptance of the four-week truce, their observance of it despite alleged Jewish violations, and their timely announcement that they would not agree to its extension. The energy and initiative displayed by the U.N. Mediator have excited admiration, except in the *Pakistan Times*, which assumes him to be a mere tool of Western Power politics, notwithstanding the general conviction that attempts at mediation under the auspices of U.N.O. are a waste of time.

14. The Pakistan Central Palestine Aid Committee is proceeding circumspectly and, apart from the formation of sub-committees, has little to show for its efforts. Action on an early recommendation that a corps of volunteers should be raised and sent to Palestine has been deferred pending the return of a member of the Committee deputed to visit various Arab States and ascertain the nature of assistance they require. There are good reasons for these dilatory tactics. Pressure of public opinion in favour of immediate practical measures is by no means as strong as the press—with an eye on Muslim reactions abroad—represents it to be; the fanatics and freebooters, who might otherwise have been interested in the Palestine adventure, have a convenient arena in Kashmir, while to the majority of Pakistanis the fate of Palestine is a comfortably remote issue. There is, moreover, a very natural disinclination to become too deeply involved in the provision of material assistance so long as hope of a peaceful solution subsists, however faint. Finally, the committee, though unofficial in theory, has a strong official element—the Prime Minister is chairman

and the Foreign Minister a member—and is doubtless apprehensive lest precipitate action on its part should embarrass the Pakistan Government in their efforts to maintain an attitude consistent with Pakistan's membership of U.N.O.

15. Relations between Pakistan and Afghanistan show regrettably few signs of improvement. Irritation caused in Pakistan by Kabul's continued press and radio propaganda in favour of "Pathanistan" was very temporarily relieved by the Afghan Ambassador, who declared at a public function in Karachi that his Government had no territorial claims on Pakistan. The good effects of this statement were, however, promptly nullified by the interpretation set upon it by Peshawar Radio and consequent *démentis* by Kabul Radio and the officially inspired Afghan press. These were read here as repudiation of the Ambassador's declaration. Soon after the Ambassador's departure for Paris on a private visit, the Counsellor in the Afghan Embassy issued a statement in which, though confirming that Afghanistan had no territorial claims, he made it clear that this implied no withdrawal of the Afghan Government's demand that the Pathans on the Frontier should be granted autonomy.

16. Events in Germany have been watched with close attention, but comment continues for the most part to be studiously objective. *Dawn* has crusaded indefatigably on behalf of the "oppressed" Oriental, subjecting the Dutch, French and British to repeated criticism for their policies in Indonesia, Viet-Nam and the Sudan respectively.

D.—Economic Affairs

17. Details have been released of the agreement reached in May between Pakistan and India on the mutual supply of certain essential commodities. These include cotton, cloth, foodgrains, salt, steel, leather, jute and jute manufactures, paper, chemicals and hides, and skins. The period of the agreement is to be one year from 1st July, 1948, to 30th June, 1949, except in the case of raw cotton and cotton textiles for which the period will be 1st September, 1948, to 31st August, 1949, and in the case of foodgrains for which the period will be 30th June, 1948, to 31st August, 1949.

18. As was to be expected, both Dominions pitched their demands optimistically high, with the result that in most cases the quantities which each Dominion

undertook to supply fell short of the requirements estimated by the other. Pakistan was able to obtain a promise of only 183,000 tons of coal as against her demand of 3,400,000 tons, while the quantities of steel offered are considerably less than her requirements. She did, however, secure acceptance of her demand for 400,000 bales of cloth. India obtained a promise of 5 million bales of jute against her demand for 5½ million, and her salt requirements have been satisfied in full; but against her demand for some 300,000 tons of foodgrains, Pakistan agreed to supply only 175,000 tons, a decision which is understood to have caused considerable disappointment, despite Pakistan's undertaking to do her best to improve on this quantity.

19. The agreement covers a wide field and is welcome evidence that the two Dominions recognise the immediate necessity for economic co-operation; but its limited duration—Pakistan wanted a three-year agreement—makes it clear that the principle of interdependence is not yet an article of faith. This is hardly surprising, since both Dominions are in the process of cultivating economic contacts with other countries and are in no position to predict the ultimate pattern of their international trade. The agreement is undoubtedly a step—if a short one—in the right direction, but everything depends on the manner of its implementation. For instance, Pakistan's satisfaction at the acceptance of her cloth demand must necessarily be tempered by experience gained in her efforts to secure implementation of the raw cotton/cotton textiles barter agreement with India, referred to in paragraph 25 of the March Appreciation. These efforts are proving singularly unproductive, supplies of textiles from India having altogether failed to keep pace with supplies of cotton in the reverse direction. The provision in the new agreement requiring the exchange of monthly progress reports and meetings every other month between representatives of the two Dominions should facilitate implementation, but experience shows that good intentions at the top are too often stultified by stupidity and malice at the lower administrative levels.

20. Pakistan's difficulties in obtaining piece-goods from India have compelled her to look elsewhere for the satisfaction of her pressing needs. Negotiations for the purchase of five million yards of cloth from Russia (who has already purchased 138,000 bales of raw cotton from Pakistan), and an

equal quantity from Czechoslovakia, are reported to have taken place.

21. June has been an active month in the sphere of civil aviation. The bilateral air agreement between Pakistan and India negotiated in March/April has been ratified, with apparently sincere expressions of goodwill on either side. Indeed, it would seem that the negotiations were held in the most friendly spirit and that the agreement is mutually satisfactory. Negotiations for a U.K./Pakistan air agreement on the other hand could not be finalised, the leader of the U.K. delegation having been recalled for consultation before a settlement could be reached on the more controversial items, including the principles governing the capacity to be provided, the routes to be operated and the manner in which changes can later be made in them.

22. An advance in Pakistan's own air transport arrangements has been marked by the grant of operators' licences to Orient Airways, Limited, and Pak Air, Limited, while a company known as Pakistan Aviation, Limited has been formed to provide servicing facilities for the operating companies and for the R.P.A.F. The licence accepted by Pak Air, Limited, was offered in the first place to the Pakistan Mercantile Corporation. The latter's decision to decline it has been the subject of some speculation; it may well have been influenced by the financial record of Orient Airways, who have suffered heavy losses during the first six months of operation.

23. The Pakistan Government have accepted the recommendations of the Conference on Economic Controls held last April (paragraph 14 of the April Appreciation). This is not surprising, since good care was taken to see that the Conference recommended what the Government wanted. They are now committed to "progressive de-control," but are, of course, free to regulate its pace. It seems, indeed, that the Conference has served—and was intended to serve—no other purpose than to let off steam on this controversial subject and secure for Government policy a facade of popular approval.

24. The Pakistan Finance Ministry have been busy with preparations for the opening on 1st July of the new State Bank of Pakistan, an event much advertised in the press as marking the attainment by Pakistan of complete sovereignty in the financial sphere. It has been decided that the Indian and Pakistan rupees will be at par. The rates at which the State Bank of Pakistan will be prepared to buy and sell Indian rupees are to be notified shortly, the declared intention being that the cost of remittances between India and Pakistan should be maintained approximately at the existing level.

25. Occasional speculative reports from London about the progress of the talks on sterling balances have appeared in the press. Comment awaits the release of authentic news.

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No. 47

PAKISTAN

MONTHLY APPRECIATION OF GENERAL SITUATION

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A.—Inter-Dominion

Relations between the two Dominions deteriorated sharply during the month. The reported admission to the United Nations Commission on Kashmir by the Pakistan Government of the presence of Pakistan troops in Kashmir and the exaggerated reports in the press of Azad military successes, the mounting tension over Hyderabad, Pandit Nehru's charge

that the entire policies of Pakistan were built on "lies, falsehood and deceit," the unfortunate controversy arising out of Mr. Ghulam Mohammed's accusation in London that Lord Mountbatten, by failing to order the arrest of the Sikh leaders on the eve of partition, was responsible for the Punjab massacres, the irritation caused by the imposition by the Government of India of a permit system for all travellers to India

from Western Pakistan, and Cotton's alleged gun-running activities to Hyderabad all contributed towards creating a situation which, by the end of the month, was sombre indeed. With Pakistan and Indian troops openly engaged in Kashmir and threats of retaliation from Pakistan if Hyderabad should be attacked, it seemed that only a small spark might be needed to cause a general conflagration.

2. The United Nations' Kashmir Commission reached Karachi on 7th July and, after two days of informal introductions to Pakistan leaders, continued its journey to Delhi. It was cordially welcomed both in Karachi and by the Kashmir Muslim Conference, which passed resolutions offering whole-hearted co-operation with the Commission and inviting it to visit Azad-Kashmir territory. It was clear, however, that the warmth of the Commission's welcome was based on the hope that it would work for a genuinely fair plebiscite. The Commission's activities in Delhi were meagrely reported, principal interest being centred on rumours of schemes for a cease fire. Pakistan was at the outset not officially represented before the Commission, but Chaudhri Mohammed Ali, the Cabinet Secretary-General, was late appointed Pakistan representative and flew to Delhi to make the Commission officially acquainted with the presence in Kashmir of Pakistan regular troops—information that had been informally communicated to them in Karachi by the Foreign Minister. The purport of Mohammed Ali's report unfortunately reached the press and was prominently featured in a Lahore paper. This was followed by a Reuter report from London alleging that the British Government was considering enforcing the "Stand-down" of British personnel in the forces of the two Dominions, a report which caused considerable perturbation in Pakistan.

3. A renewed Indian offensive in the North-western sector of the Kashmir front early in the month was held after it had gained some initial successes. Thereafter, the initiative lay with the Azad forces and successful counter-attacks drove the Indians from hill features dominating Tithwal and Chakothi, causing the withdrawal eastward of the Indian Headquarters from these two places. Although hailed by the Pakistan press as major Azad victories, these operations appear to have been carried out almost exclusively by Pakistan regular troops and to have been

confined to restoring the front to the line held before the Indian May offensive from Uri, and strict instructions have been issued to the Pakistan troops not to indulge in offensive operations. There were no major developments on the other Kashmir fronts, although Azad Kashmir forces in Ladakh claimed to have evicted Indian garrisons from posts along the main trade route between Srinagar and Leh. Latterly, operations have been still further curtailed by the monsoon.

4. The atrocity campaign was intensified towards the end of the month, as the arrival of the United Nations' Commission on Karachi became imminent. Gruesome stories of organised Sikh and Dogra attacks on refugee convoys leaving Kashmir, of the burning of mosques and the abduction and torture of women and children were daily featured in *Dawn*, and a propaganda booklet entitled *Inside Kashmir* was produced, replete with statements from alleged victims of these atrocities and depicting the brutality of Sheikh Abdullah's régime, Abdullah himself being portrayed as a puppet in the hands of Sikh and Hindu strong men.

5. The month ended with the return of the United Nations' Commission to Karachi from Delhi and the completion of preparations for its reception on the Azad-Kashmir fronts, which the Pakistan Government hoped to persuade it to visit.

6. Sympathy for Hyderabad mounted sharply as the crisis approached, and the Pakistan press lost no opportunity of retailing alleged Indian acts of aggression, border incidents and interference with Indian Muslims, the latter arousing particular indignation. Reports of threats uttered by Indian leaders and rumours of Indian troop movements on the Hyderabad borders produced a spate of statements from religious and tribal leaders, condemning Indian aggression, pressing for Islamic solidarity with this isolated Muslim State, and calling for moral and material assistance for Hyderabad in the event of an Indian invasion. These protests culminated in a series of "Hyderabad Day" meetings in the North-West Frontier Province, at which all Islamic States were urged to break off relations with India, should she attack Hyderabad, and to send assistance to the State. There is no doubt that feelings are deeply stirred; and responsible Pakistan officials have given warnings of the danger of serious repercussions in Pakistan of an Indian

attack on Hyderabad, and the possibility of tribal incursions into the East Punjab.

7. Pakistan's anger has been primarily directed against India. But the distribution by the Hyderabad Agent-General in Karachi of a pamphlet, reproducing correspondence between the Nizam and Lord Mountbatten, brought scathing comment on the abandonment by the United Kingdom of Hyderabad, because the State had less "nuisance value" than India. Indignation was also aroused by the incident in Delhi, when customs officials searched Sir Walter Monkton's secretary and opened a letter from the Nizam to His Majesty the King. And deep interest was evoked by the Commons debate on Hyderabad on 30th July; Mr. Attlee's efforts to limit the scope of the debate were severely criticised and Mr. Churchill became for the moment a local hero. The suggestion that the only course left to Hyderabad is resort to the United Nations is sponsored by the local press, and resentment is expressed at the United Kingdom's indifference to the appeal believed to have been made on this score by a special envoy from Hyderabad. Rumours that Pakistan would herself sponsor Hyderabad's application to the United Nations have not, however, so far found corroboration.

8. Mr. Sydney Cotton achieved a blaze of publicity at the beginning of the month with a "mercy flight" of medical goods direct to Hyderabad, in contravention of Indian orders to land *en route* at Bombay. The press has since lost interest in him with the cancellation of his charter licence by the Pakistan Government, although the crash at Mauripur, the day after the licence expired, of one of his aircraft loaded with arms attracted some attention.

9. The imposition by the Government of India on 14th July, with only a few days' advance notice, of a permit system for all travellers to India from Western Pakistan caused, and is still causing, great inconvenience and irritation. Whatever the theoretical justification for this measure—and few would seriously deny India's right to guard against disruption of her rehabilitation plans by the return of large numbers of Muslims from Pakistan, though Pakistan sources claim that this return traffic had already dried up—the suddenness with which the system was imposed, without any administrative preparation, and the vexatious delays and difficulties since put in the way of permit-seekers, have convinced Pakistan that this

is another deliberate attempt to humiliate her. At a subsequent inter-Dominion conference at Lahore, Pakistan representatives failed to induce India to withdraw or modify the system, and there have been loud threats of retaliation by Pakistan. Apart from this, there have been no developments of note in the refugee situation. The exchange of prisoners between India and Pakistan is still hanging fire. Refugee rehabilitation has made no perceptible progress, an already difficult situation in the West Punjab being rendered still more complicated by efforts on the part of refugee M.L.A.s from the East Punjab to secure resettlement of refugees from their own areas in the East Punjab in corresponding blocks in the West Punjab, in an attempt to retain their political influence over their former constituents. A joint Pakistan-N.W.F.P. Refugee Council has been formed; it is on the same pattern as the joint Councils in the West Punjab and Sind, and is likely to prove equally ineffective. Even less progress in refugee affairs is to be expected in the future, now that Mr. Ghazanfar Ali Khan has left to take up his appointment as Ambassador in Teheran. He was the most energetic of the Pakistan Ministers and Khwaja Shahabuddin, who takes temporary charge of his portfolio, will have little time or energy to spare from his other wide duties. The fact that no permanent successor to Mr. Ghazanfar Ali has yet been named is an indication of the great paucity of able administrators in Pakistan at present and the difficulty of Cabinet reconstruction, now overdue.

B.—Internal Affairs

10. The Muslim month of Ramazan began on 8th July and, in consequence, both political and administrative activities were at an unusually low ebb. Fasting was virtually *de rigueur* for Government Servants, many of whom had not been in the habit of observing the fast, and the effect on the administrative machinery was unfortunate. The fast was ushered in by injunctions from the Prime Minister and other public figures for strict observance by all citizens of Pakistan, and there were numerous instances during the month of police harassment of individuals who chose to disregard these admonitions.

11. The expected legislation enabling the Governor-General to supersede a Provincial administration and place the

Provincial Governor in charge in an emergency has now been passed. A further sign of administrative centralisation was a conference of Provincial Premiers and internal security and publicity authorities in Karachi on 19th and 20th July. The discussions centred round measures for extending and improving the Pakistan propaganda machine in the Provinces and the establishment of a Central Pakistan Police Force. The Centre's greatest victory was, however, the establishment of the long-awaited separate Central Government capital at Karachi. This took place quietly on 23rd July with the publication of orders defining the boundaries of the new capital and appointing a Central Government Administrator. There was no obstruction from the Provincial Government, which is now looking for a new capital.

12. There was little Provincial activity of note during the month. The administration in the West Punjab has still further deteriorated, with the continuation in power of the Mamdot ministry, and it is believed that the Governor is so disgusted with the state of affairs that he considers no British officer should take service under the Provincial administration. The Governor of the North-West Frontier Province too is irritated, though there the chief source of trouble is not the Provincial ministry but interference from the Central Government, particularly since the creation at the beginning of the month of a separate Central Ministry of States and Border Regions, with Colonel Shah as Secretary working directly under Mr. Jinnah. Action against "agitators" in the North-West Frontier Province has continued, latterly under the N.W.F.P. Public Safety Ordinance, a Draconian measure promulgated by the Governor on 8th July. The latest victim of note is Dr. Khan Sahib, and his internment lends strength to criticisms which have appeared, particularly in the Lahore press, that this new legislation is being used to stifle legitimate political opposition. In East Bengal, the outstanding event was a police strike on 14th July which, but for prompt military intervention which saved the police armoury from falling into the strikers' hands, might have proved a most serious affair. The strike is said to have been Communist inspired, and the Provincial administration has since taken action against the local party headquarters and Communist leaders.

13. The only Pakistan State to come to notice during the month was Kalat, where trouble that had been simmering for some time came to a head in the middle of the month with the return from Afghanistan of the Khan of Kalat's brother, who had earlier fled the State with a body of armed followers. The band was engaged by Pakistan troops, and he and the majority of his followers were arrested. A purge of the State administration followed, the entire Cabinet, including the British Prime Minister, being dismissed and replaced by Pakistan nominees.

C.—External Affairs

14. It has been a somewhat uneventful month in the field of foreign affairs. Interest in Palestine has been fitful, and press comment produces few variations on its central theme—the immolation of the Arab on the altar of Western "power politics." The belief that no satisfactory solution can emerge from negotiations under U.N. auspices is now general, and even Count Bernadotte, initially commended for his zeal and impartiality, is accused of conniving at Jewish truce violations. The Arabs were severely criticised for agreeing to the extension of the truce, and the press seizes avidly on any suggestion that more bellicose counsels may prevail. Thus the vaporous announcement by the Arab Higher Committee of their decision to resume the "Holy War" was headlined. But if the cessation of fighting is condemned as opposed to Arab interests, it serves none the less as balm to Pakistan's conscience; and preparations to assist the Palestine Arabs are as lethargic as ever.

15. An incidental effect of the Palestine imbroglio is the impetus which it has given to Pan-Islamic propaganda. The argument that, as a Muslim country, Pakistan is under a moral obligation to help the Arabs has been adapted to the Kashmir and Hyderabad issues, and from Egypt and other countries of the Middle East come reports of Muslim determination to frustrate the designs of the Indian Union on these two States. It may be confidently assumed that the indignation thus engendered against India is even more synthetic than anti-Zionist feeling in Pakistan; but such disputes are undoubtedly useful pegs on which to hang the precept of Muslim unity.

16. The Afghan Ambassador has been in Europe throughout the month, and relations between Afghanistan and Pakistan

are more or less static. Press and radio polemics have happily abated, and an exchange of friendly statements between the N.W.F.P. Premier and the Afghan Chargé d'Affaires has helped to create an atmosphere favourable to the resumption of negotiations. Definite information of the Afghan Ambassador's return is, however not yet forthcoming.

17. The Indonesian deadlock continues to cause much concern and anti-Dutch feeling has intensified. Official and unofficial opinion condemned the refusal of the Dutch authorities to negotiate on the basis of proposals submitted by the American and Australian members of the Good Offices Committee.

India's decision to bring the South African dispute once more before the Security Council has not produced any official pronouncement in Pakistan, and there has been surprisingly little comment in the press. It may be assumed, however, that India's action is generally approved.

D.—Economic Affairs

18. The text of the letters exchanged between the Chancellor of the Exchequer and Pakistan's Finance Minister, embodying the agreement between the United Kingdom and Pakistan on the sterling balances, has been published in the local press. Briefly stated, the agreement increases Pakistan's working balance by £2 millions to £12 millions, and provides for the release, during the period 1st July, 1948, to 30th June, 1949, of the sum of £5 millions forthwith, and of further sums, not exceeding £5 millions as and when required, for the purpose of meeting Pakistan's external expenditure on special needs for the resettlement and rehabilitation of refugees. Further consultation is to take place before the expiry of the present agreement on 30th June, 1949, with a view to extending it further or replacing it by another agreement; but to enable Pakistan to prepare plans in advance, the United Kingdom Government has undertaken to release a further sum of at least £5 millions during the period 1st July, 1949, to 30th June, 1950, and a further £5 millions in the ensuing 12 months. Pakistan's expenditure in "hard currency" areas is to be limited to the equivalent of £5 millions during the period 1st July, 1948, to 30th June, 1949, this figure was agreed "in the light of Pakistan's needs for supplies necessary for the

development of her economy and, in particular, of her productive capacity." The agreement also covers the purchase of Defence stores and fixed assets, as well as the purchase of an annuity by the Government of Pakistan from the United Kingdom Government for the purpose of meeting the former's sterling pensionary obligations.

19. The most confirmed critics of Britain's financial dealings have found little to cavil at in this agreement, and the general reception has been decidedly favourable. Britain, it is felt, has proved her readiness to give practical recognition to the peculiar difficulties confronting Pakistan, in respect of both refugee rehabilitation and general economic development. The Chancellor of the Exchequer's written assurance that the United Kingdom Government appreciates Pakistan's problems and, within the limits of what is possible, will do its best to help has been warmly welcomed.

Looking to the future, the newspaper *Dawn* recommends a radical revision of Pakistan's financial policy. The emphasis, it argues, must now be shifted from husbanding to utilising the country's financial resources; the Government is urged to mitigate the shortage of consumer goods by liberalising import regulations and at the same time to give the necessary impetus to industrial development by entering itself the field of a few selected enterprises. *Dawn* is perhaps not unjustified in claiming that a policy on these lines commands the support of a large body of informed opinion, both lay and expert.

20. The contribution made by the Sterling Balances Agreement to Pakistan's financial capacity to handle the refugee problem has been supplemented by a credit of \$10 millions obtained from the United States Government for the purchase of materials required for the rehabilitation of refugees. Sales were, however, suspended from the 1st July, by which date only a very limited quantity of medical stores had been procured; but it is hoped that sales will be re-opened after a few months.

21. Inter-Dominion relations in the economic field have not undergone any very marked change during the month. On the credit side must be entered the conclusion of a third food agreement providing for the supply of 5,000 tons of sugar to Pakistan, the exchange of seed wheat from Pakistan for wheat and gram from India,

and the exchange of Baluchistan and Sind rice for Burma rice for East Bengal. Unfortunately, such instances of co-operation at official level have less effect on inter-Dominion relations than, for example, the Pakistan Finance Minister's truculent statement at a London press conference that India had been systematically engaged, ever since partition, in an attempt to throttle Pakistan economically. Nor has the atmosphere been improved by a dispute which has arisen between Pakistan and Jodhpur regarding the transfer to Pakistan of that portion of the Jodhpur State Railway which runs through Pakistan territory. It had been agreed that Pakistan should take over the working of the line on 31st July, and preliminary discussions were in progress when the Jodhpur authorities decided to cancel one service to Pakistan on the ground of inadequate

traffic. Pakistan, scenting intervention by the Government of India, retaliated by seizing all Jodhpur railway property and rolling-stock in Pakistan, and acrimonious exchanges between the Dominion Governments have ensued. It is disappointing also to have to record the failure of a conference held at Lahore in the hope of settling the canal water dispute between East and West Punjab. No agreement could be reached and it was decided that discussions should be resumed later, the *status quo* to be preserved meanwhile.

22. The State Bank of Pakistan was inaugurated by the Governor-General with much pomp and ceremony on 1st July. This event was shortly followed by the appearance of an embryonic Karachi Stock Exchange—the first venture of its kind in Pakistan.

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No. 48

PAKISTAN

MONTHLY APPRECIATION OF GENERAL SITUATION

By the United Kingdom High Commissioner, Karachi

No. 8 for August 1948

(Received in Commonwealth Relations Office, 21st September)

A.—Inter-Dominion

1. Inter-Dominion relations suffered further set-backs during the month. The indignation which had been simmering ever since Pandit Nehru's Madras speech (para. 6 Opdom No. 59) boiled up again when, in a statement in the Indian Parliament on 9th August, the Indian Prime Minister claimed that Pakistan's case before the United Nations had collapsed with the admission that her troops were in Kashmir, and declared that India might now have to go forward. Pakistan's reaction to this further proof—as it was represented here—of India's aggressive intentions was intensified by growing pressure on Hyderabad, where the Indian Government were accused of allowing their policy to be influenced to an ever-increasing extent by communal fanaticism. The temperature was further raised by accounts of atrocities perpetrated against Muslims in Agra on Independence Day, the effects of which were aggravated by an unfortunate controversy between the local Muslim press and the Indian High Commissioner regarding the number of

Muslim casualties and the circumstances in which the riots broke out. Commenting generally on anti-Muslim activity in India, *Dawn* elaborated on the theory that "genocide" there was reviving, and pointed to the release of R.S.S.S. and Hindu Mahasaba workers and the rehabilitation of the latter party as ominous symptoms. The detention in Calcutta of a R.P.A.F. Dakota, sent there with the permission of the Government of India to collect supplies of chlorine for Karachi, was regarded as yet another example of deliberate provocation by India. The only bright spot during the month was an inter-Dominion conference to discuss the exchange of prisoners, the permit system, evacuee property, and abducted women. Some measure of agreement was reached, in particular, that all prisoners should be collected and exchanged at an agreed point on the Punjab frontier, and that, pending exchange, no death sentence should be carried out; and a joint organisation was set up to value urban evacuee property. These, on paper, are satisfactory conclusions; but Pakistan is

extremely sceptical of India's will to give effect to them.

2. The United Nations Kashmir Commission, which had returned to Karachi from Delhi on 31st July, held its first meeting with Pakistan's representatives, the Foreign Minister and the Cabinet Secretary-General, on 4th August. Discussions were subsequently held with the Governor of the North-West Frontier Province and the Commander-in-Chief and other senior officers of the Pakistan Army. Reasons for the presence—already admitted—of Pakistan troops in Kashmir were fully explained to the Commission, particular emphasis being placed on the danger of administrative collapse in the West Punjab should Indian advances in Kashmir precipitate a further influx of refugees, and it was also pointed out that the presence of Pakistan troops would conduce to the effective enforcement of any cease fire proposal. The Commission's reception of the explanation, which was accompanied by a full and accurate statement of the disposition of Pakistan's forces, was apparently more favourable than the Pakistan Government had expected. Cease fire proposals were presented simultaneously in Karachi and Delhi on 14th August. These were not well received by the Pakistan Government, who had themselves favoured a simple cease fire to enable further negotiations to be held in a calmer atmosphere and were disappointed to find that the Commission had gone further by inviting acceptance of certain principles as a basis for a truce agreement. These principles were, moreover, found to be obscure in certain respects, and elucidation was sought. The Commission, which had left for Delhi on 20th August, endeavoured, on its return to Karachi towards the end of the month, to elucidate its proposals in a manner likely to commend them to the Pakistan Government, but had made little headway when the month closed. Meanwhile, the Azad Kashmir Government had declared that it would implement no cease fire proposals to which its prior consent had not been obtained and that it would accept no unilateral agreement reached with the Pakistan Government.

3. Military Operations in Kashmir were restricted by heavy rains during the month, although claims were made by both sides, presumably intended for consumption by the Commission, that "enemy offensives" had been repulsed. The most significant

event was the surrender to Azad forces of the Indian garrison at Skardu in Ladakh. Much publicity was given to the bombing by R.I.A.F. aircraft of Murree and Gilgit; the bombing of the former was claimed by the Indian Government to have been unintentional, and this has not been seriously contested.

4. Developments in Hyderabad were watched with the closest attention. The Muslim press continued to predict an outburst of spontaneous and uncontrollable indignation throughout Pakistan, and particularly in the tribal areas, should Hyderabad be invaded. It is difficult to assess the intensity of feeling in the tribal areas, but even if this is milder than press accounts indicate, the temptation to use Indian action against Hyderabad as a pretext for raiding Indian territory is a factor which must be considered, more particularly as India's commitments in Kashmir and Hyderabad might encourage the belief that no serious opposition need be expected. Hyderabad Day, celebrated in Karachi and various other centres in Western Pakistan, produced nothing sensational, but served none the less to keep the fires of communal hatred well banked. There were the usual denunciations of India, notably by Chaudhri Khaliquzzaman, who also found time to accuse Britain of an anti-Muslim attitude and to threaten that, if she persisted in it, Pakistan would leave the Commonwealth.

B.—Internal Affairs

5. August was a month of celebrations. The end of Ramzan on 8th August was celebrated with rather more than the customary exuberance, for it was Pakistan's first I'd and a day of national as well as private rejoicing. There were, in fact, signs of great enthusiasm—tragically so in Lahore, where a boisterous crowd stampeded with fatal casualties. Appropriately, Mr. Jinnah's I'd message urged the importance of discipline and unity; these, he said, were needed now more than ever. The celebration of Pakistan's first anniversary followed on 14th–15th August. The main items on the programme were a combined services parade and a military tattoo, both impressive and, on the whole, remarkably well organised. Messages broadcast by Mr. Jinnah and Mr. Liaquat Ali Khan again stressed the need for discipline and unity. The latter briefly reviewed Pakistan's first year; his conclusion was that it had been one of solid

achievement which warranted pride but no complacency, for the consolidation of the new State would be a long and arduous process. Mr. Jinnah himself did not interrupt his summer recess in Baluchistan and his absence lent strength to rumours already in circulation that he was critically ill; an official communiqué declaring that his health was normal did little to discourage speculation. Celebrations on similar military lines were held in Dacca, Lahore, Rawalpindi and Peshawar.

6. Floods dominated news from the Provinces. Early in the month, flood water came down the Indus from the West Punjab to Sind, where one of the Indus canals was breached. Strenuous efforts by the Provincial authorities succeeded in preventing a widening of the breach, but hopes that the floods would be rapidly brought under control were shattered by further heavy rains in the West Punjab which, besides causing extensive damage in that Province, brought the Indus level to a new peak and resulted in several more breaches of canals in Sind. By the end of the month it was estimated that 150,000 people had been driven from their homes in Sind, and a very considerable area (1,600 square miles, according to one computation) was under water, with resultant heavy damage to the crops, particularly rice. The fact that the initial breach occurred in the same place as in the floods of 1942-43 was regarded as a reflection on the Sind Government, who, indeed, appear to have failed to take adequate steps to prevent a repetition of the catastrophe; and there has in consequence been a vociferous demand for a public enquiry.

7. It became increasingly clear during the month that the handling of the refugee problem in West Punjab was beyond the capacity of the Provincial Government. What was initially an administrative problem began to show ominous signs of acquiring a political complexion, and refugee grievances were exploited by political agitators, including refugee M.L.A.'s from the East Punjab, who have significantly formed a separate group in the Muslim League Party of the Provincial Assembly. Growing discontent found violent expression at Montgomery, where an unruly crowd of refugees collected and had to be dispersed by police firing, in which fifteen were killed. There are, it seems, about half a million refugees whom the West Punjab cannot absorb, and their

continued presence in the Province constitutes a grave threat to the stability—precarious at the best of times—of the present Provincial Government. It is urgently necessary that a home should be found for them elsewhere. Measures have been taken since the close of the month to deal with this difficult problem.

8. Disorders, though of a different complexion, took place also in the North West Frontier Province, where Dr. Khan Sahib's arrest was not allowed to pass unchallenged. On 12th August an aggressive crowd, containing a large Red Shirt element, had to be dispersed by police firing, and forty-five men were killed and eighty wounded. In East Bengal there was no overt challenge to authority, but attempts to suppress the Communist movement have not been entirely effective; and the action of the secessionist group of the disbanded East Bengal Congress Party in enlisting the support of the Forward *bloc* and other Leftist elements has given rise to fears of further Communist infiltration.

C.—External Affairs

9. There were no outstanding developments in the field of foreign affairs. As a news topic, Palestine was deprived of popular appeal by the cessation of hostilities, and the organisers of the Palestine Aid Committee laboured without great success to sustain interest and, more important, the flow of funds. In the public mind Palestine has been relegated to the position of one among a group of countries—Kashmir, Hyderabad, Indonesia and, further afield, the Arab countries of North Africa—whose present predicament is regarded as emphasising the urgent need for Muslim unity. This is a theme on which propaganda showed signs of increasing during the month, encouraged perhaps by Mr. Jinnah's appeal for a united front in his I'd message to Muslim countries. Accounts of anti-Indian reactions in other Muslim countries on the Kashmir and Hyderabad issues were prominently featured in the Muslim press, and Syria's reported readiness to sponsor the Hyderabad case in U.N.O. attracted interest as illustrating the manner in which Muslim sympathies could be translated into practical terms.

10. There was a further improvement during the month in relations between Pakistan and Afghanistan, and provocation in the press and radio on either side

virtually ceased. On the invitation of the Afghan Government, the Pakistan Communications Minister led a delegation to Kabul to attend the Afghan Independence celebrations. He returned to Karachi with glowing accounts of their friendly reception and of the Afghan leaders' sincere desire to establish good relations. Sentiments expressed in the festive atmosphere of a national celebration are not always repeated over the conference table, but the prospects of an amicable settlement of outstanding differences are nevertheless brighter.

11. Although full reports were published of developments in Burma, there were surprisingly few expressions of concern for the fate of the numerous Pakistan nationals living in that country, nor was much attention given to the danger of Communist contagion spreading from North Burma to Eastern Pakistan. This danger would seem to be real in view of reports that Muslims in the Akyab district have joined forces with Communist insurgents.

D.—Economic Affairs

12. During the month, the Pakistan Government put into effect their decision to make their import licensing policy more liberal. Brazil, Chile, Uruguay, Sweden and Switzerland were added to the soft currency areas and with the exception of ten items, mainly gold, silver and jewellery, all imports from sterling and soft currency areas are now on Open General Licence. The items the import of which is totally prohibited and for which import licences must be obtained are mainly consumer goods. The list of goods for which import licences may now be granted from hard currency areas has also been considerably extended. In the sphere of inter-Dominion trade, however, India's decision not to issue export licences for Pakistan for a number of goods is likely to lead to a further shortage of supplies in Pakistan. It led immediately to a failure of the chlorine supplies for Karachi, with the result that the city's water was not chlorinated for several days.

13. A notification was issued amending the Customs tariff in accordance with the general agreement on tariffs drawn up at Geneva. The standard rates of duty were reduced on a number of items and the preferential margin on higher-priced U.K. cars was lowered by raising the duty on British cars.

14. Considerable anxiety has been felt for some time at the shortage of power in the West Punjab as a result of the progressive reduction of supplies from the Mandi hydro-electric project in India, and a conference was held in Karachi to consider hydro-electric development. This conference decided that two hydro-electric stations should be constructed in the North-West Frontier Province, one at Darjai and the other at Warsak on the Kabul river. The latter scheme will cost £7 million, but should provide within 5 years, jointly with Darjai, sufficient power for the whole of the North-West Frontier Province and a large part of West Punjab, and the additional irrigation which will result from it will, it is hoped, render the province self-sufficient in food grains. The decision of the Conference to proceed with the Warsak scheme instead of one at Ghazi in the West Punjab was a severe blow to the representatives of that Province, who strongly supported the Ghazi scheme. The conference considered, however, that the latter scheme would produce more power than was required and would be more expensive and take longer to build.

15. The establishment of a Central Engineering Authority to co-ordinate hydro-electric and other development projects and the grant by the Central Government of Rs.12.05 crores to the provinces for various productive schemes, including hydro-electric and thermal power projects, were also announced.

16. No settlement of the dispute over the Jodhpur Railway, briefly reported in the July survey, was reached and activity on the railway is still practically at a standstill. The relations between the two railway administrations of Pakistan and Jodhpur, formerly quite cordial, have worsened as a result of the dispute and the future operation of the line, when communications are restored, will consequently be difficult. On the whole Pakistan would seem to be the loser in the dispute unless it can be settled amicably, since her deposit of Rs.50 crores with the Reserve Bank, made in accordance with her agreement with Jodhpur State to take over the railway, can be frozen indefinitely, while the railway stock which she seized is insufficient to run the Pakistan section of the line. There is talk of transferring metre-gauge locomotives from East Bengal, but it is reported that East Bengal cannot really spare any.

PAKISTAN

MONTHLY APPRECIATION OF THE GENERAL SITUATION

By the United Kingdom High Commissioner

No. 9 for September 1948

*Received in Commonwealth Relations Office 19th October***A.—Inter-Dominion**

Pakistan has emerged unshaken from a momentous month, and prophecies that the State would collapse on the death of Mr. Jinnah and that an Indian invasion of Hyderabad would lead inevitably to communal massacres both in India and Pakistan and possibly to immediate war between the Dominions, have proved equally unfounded. The ease with which India over-ran Hyderabad has, however, shocked the Pakistan Government into a less complacent appreciation of the strength and effectiveness of the Indian armed forces, and apprehension lest India's next step may consist of an ultimatum to Pakistan requiring the withdrawal of Pakistan troops from Kashmir, followed, on its rejection by invasion of the West Punjab, has led to an urgent re-examination of Pakistan's defence plans. Orders have issued stopping all releases from the Pakistan armed forces, coupled with appeals for re-enlistment; the Commander-in-Chief has been authorised to embody the Pakistan National Guard, should the situation require it; and a Civil Defence Department has been formed, with a Director-General at its head, responsible for A.R.P. measures throughout Pakistan. Public appeals by Pakistan Ministers for volunteers for the Pakistan National Guard and for civil defence accompanied feverish planning in the Pakistan Defence Ministry for the expansion of all three armed services.

2. The Prime Minister replied in friendly terms to conciliatory messages from Pandit Nehru after the conclusion of the Hyderabad "adventure," and assured him that Pakistan reciprocated India's wish to live at peace with her sister Dominion. But in a broadcast to the nation on 22nd September he made it clear that Pakistan would require more than words to satisfy her of India's peaceful intentions, and that meanwhile everything would be done to strengthen the country's

defences. This was also the dominant theme of important speeches delivered by the Prime Minister in Lahore, Peshawar, Rawalpindi and Quetta in a week's tour of Western Pakistan, from which he returned on 1st October. While stressing Pakistan's desire for peace, he made it clear that she would resist invasion to the end and had no intention of abandoning Kashmir to force; and he called for unity, discipline and self-sacrifice from his audiences. There is no doubt that his tour did much to restore public confidence and determination; it has also greatly enhanced the Prime Minister's personal prestige and influence.

3. Pandit Nehru's ultimatum to the Nizam of Hyderabad in his speech to the Indian Parliament on 7th September strengthened the belief that an Indian invasion of the State was imminent, and led to a warning from the Pakistan Foreign Minister of the dangers attending this step and to demonstrations in Karachi demanding military action against India. Immediate reactions to the invasion itself were surprisingly mild. Large meetings were held in Karachi and Lahore, demanding that assistance should be given to Hyderabad, but there were no disorders and no signs of the anticipated tribal movement towards the East Punjab, and the Pakistan Government stood firm against the demand for intervention. The Nizam's surrender came as a shock, for press reports of the campaign had fostered the illusion that Hyderabad troops were putting up stiff resistance. For a time there was some animosity against the Nizam, who was accused of having done a deal with India in order to save his dynasty, but interest in Hyderabad affairs quickly waned and there is genuine feeling that the speedy conclusion of the campaign was a blessing in disguise.

4. Shortly after its return to Karachi at the end of August, the United Nations Kashmir Commission released to the press

the text of its Cease Fire Resolution of 13th August, together with the connected correspondence with the Governments of India and Pakistan. The Commission stated at the same time that, though negotiations would continue, there was no prospect of immediate effect being given to its "Cease Fire" proposals. Pakistan's position was revealed as virtual rejection of the Commission's resolution, for her acceptance was made conditional on acceptance by India both of the elucidations given by the Commission to Pakistan and the conditions for a plebiscite laid down in the Security Council's resolution of 21st April. In a final communication to the Pakistan Government, delivered just before departing for Geneva to write up its report, the Commission regretted Pakistan's inability to accept the resolution and expressed the hope that she would reconsider her decision. The Commission clearly regarded India as having offered greater co-operation than Pakistan, and its members appear from the outset to have had difficulty in assimilating the news of the presence of Pakistan troops in Kashmir, with which they were confronted, immediately on their arrival in Karachi. What is regarded in Pakistan as their unrealistic attitude, exemplified by the respect paid to India's legalistic arguments, by the failure to attach due weight to the importance of the Azad Kashmir Government, both in Kashmir and in its influence with the Pakistan Government, and by their reluctance to examine carefully, on the spot, the situation in Kashmir before presenting their proposals caused considerable resentment in Pakistan and loss of faith in the efficacy of the United Nations Organisation.

5. There were no important developments in the fighting in Kashmir, but the month ended with reports of Indian offensive preparations in the south, and there was growing apprehension that Indian troops freed from the Hyderabad "adventure" would be used to reinforce her armies in Kashmir.

B.—Internal Affairs

6. All other events were eclipsed by Mr. Jinnah's death. It appears that his health took a sudden turn for the worse in Quetta, and it was felt that removal to a lower altitude offered the only hope. A few hours after arriving in Karachi by air, however, he died of heart failure. His burial on the following day was remarkable for the vast crowds who swarmed round

the bier, and at one point completely disorganised the official programme. Their grief was genuine, but the loss of Mr. Jinnah did not—as many predicted it would—result in disorder, a scramble for power by rival cliques and the collapse of the State. The Cabinet met immediately to consider the choice of a new Governor-General. It arrived quickly at the unanimous decision that Khwaja Nazimuddin, formerly Prime Minister of East Bengal, should be appointed; and with the assent of His Majesty The King, the Khwaja's appointment as Acting Governor-General was announced on 14th September. The selection was unexpected. But it was well received, not only in East Bengal, where the choice of its former Premier may be expected to strengthen its ties with West Pakistan, but also in West Punjab, Sind and the North-West Frontier Province, where it was felt that the Khwaja's lack of connection with any of the political factions of Western Pakistan was an advantage and where his honesty, common-sense and staunch Muslim League record were appreciated. Although large crowds continued to flock to Mr. Jinnah's grave and condolence messages filled the press for some days, public discipline, after some slight initial ebullience, was admirably maintained, despite what was held by the Pakistan Government to be an organised campaign of rumour-mongering, aimed at undermining the confidence of the people so unexpectedly deprived of their leader.

7. There were no important developments in Provincial politics, but the steps to secure more effective rehabilitation of refugees, mentioned in paragraph 7 of last month's Appreciation, materialised in the shape of a proclamation made by the Central Government on 27th August under Section 102 of the Government of India Act, 1935—amended some months previously to meet this very contingency—enabling the Central Government to issue directions to Provinces regarding *inter alia* the dispersal and rehabilitation of their refugees. There followed the decision to transfer 200,000 out of the West Punjab's half million surplus refugees to Sind, 100,000 to the North-West Frontier Province, and 100,000 to Baluchistan and the Pakistan States, leaving the remaining 100,000 to be rehabilitated in the West Punjab. Two Central Government Directorates were set up to assist in this work, the Directorate of Refugee Rehabilitation, with the task of ensuring a uniform policy

in the Provinces, and the Directorate of Movement and Quartering, to assist in transporting and housing the refugees. The assumption of these powers by the Centre was welcomed as an indication that refugee affairs were at last to be removed from the cockpit of Provincial politics, and initial doubts regarding the Central Government's courage to use the new powers to the full were set at rest by the Refugee Minister, Khwaja Shahabuddin, who at once set off for Lahore and there dealt firmly with incipient Provincial obstruction. As a result, by the end of the month clearance of the Lahore camps had made considerable progress and the transfer of refugees to Sind, which had been hanging fire for months, had at last begun in earnest.

C.—External Affairs

8. Reactions abroad to Mr. Jinnah's death have perceptibly coloured Pakistan's international outlook. Projected by this event into the forefront of world consciousness, Pakistan became more sensitive than ever to world opinion, and immediate exception was taken to the voicing in other countries of the doubts which assailed many in Pakistan when their leader died. *Dawn* launched a vicious attack on the B.B.C. and the British press, which it accused of suggesting that Mr. Jinnah's death left no-one in Pakistan capable of holding the country together; and America was angrily rebuked on account of a Reuter's message which quoted United States diplomatic quarters as saying that it remained to be seen whether Mr. Jinnah's disappearance from the political scene would weaken Muslim determination to maintain the partition of India. On the whole, however, Pakistan has had little cause for complaint. Messages of condolence have poured in from all over the world, and apart from an occasional patronising note, comment in the world press has been sympathetic and encouraging. From Muslim countries, in particular, expressions of grief have been profuse and sincere, and it would seem that Mr. Jinnah's death has strengthened the sense of Muslim unity. In Kabul mourning observances were marked by expressions of the friendliest sentiments towards Pakistan and these were warmly reciprocated by the Pakistan Prime Minister in a speech in Peshawar towards the end of the month, when he declared that the two nations were "living like brothers."

9. It has not been easy, amid so many distractions, to keep Pakistan's interest in Palestine as lively as other Muslim countries expect it to be. The Pakistan Foreign Minister has, however, done his best. Addressing a large meeting held in Karachi early in the month under the auspices of the Palestine Aid Committee, Sir Zafrullah Khan played skilfully on religious sentiment, depicting the establishment of a Jewish State in Palestine as a threat to Mecca and Medina, "an arrow pointed at the heart of the Muslim world." The theme might well have been effective in normal circumstances; but the crowd, obsessed by the growing Indian menace to Muslims in Hyderabad, could spare little thought or sympathy for the distress of co-religionists further afield. In the General Assembly towards the end of the month Sir Zafrullah, adapting his argument and metaphor to his audience, described the Jewish State as a canker in the body politic of the Middle East and warned the world of the serious consequences which would ensue from its consolidation. Count Bernadotte's proposals are, of course, generally regarded here as unacceptable for their implied recognition of the Jewish State.

10. Mr. Bevin's indictment of Russia in the General Assembly created a sensation, and there is no disposition to minimise the gravity of the situation. *Dawn's* prompt reaction was to make it clear that, in the event of another world war, Pakistan could not be relied on to support the Anglo-American group. Interest has otherwise mainly centred on Indonesia, Burma and the Italian Colonies. In Indonesia, the Dutch were held responsible for the Communist insurrection. Anxiety about developments in Burma has diminished, partly as a result of reassuring statements by the Burmese Ambassador on his return to Karachi from a brief visit to Rangoon. Comment on the Italian Colonies revealed deep-seated distrust of the Great Powers, and a conviction that, whatever is eventually decided on the manner of their disposal, the real interests of the Arabs will be a secondary consideration.

D.—Economic Affairs

11. The Government of Pakistan are reported to have asked the International Emergency Food Council for an allocation of 160,000 tons of food grains as a result of the damage to crops caused by floods and

the difficulties in the West Punjab in bringing the wheat crop to market because of hoarding by large land-owners. This Province has asked for an additional allotment of 80,000 tons of wheat to act as a buffer stock to force stocks on to the market and bring down prices. The deterioration in the food situation also led to the decision to continue the present controls unchanged instead of progressively lifting them, as was intended. The one bright spot in the situation was the Sind Government's announcement of a surplus of 21,000 tons from the old rice crop; it was expected, however, that there will be a deficit in the Sind wheat crop.

12. In the communiqué issued by the Government of Pakistan to elucidate their Statement on Industrial Policy, it was made clear that the requirements set out in the Statement relating to the compulsory offer of a fixed proportion of share capital to Pakistan Nationals do not apply to existing concerns nor to trading companies, although a trading company undertaking manufacture will have to conform to these requirements. This applies to private as well as to public limited companies. With regard to the provision in the Statement of Policy if Pakistan Nationals fail to take up the prescribed portion of capital issued, foreign companies may be authorised to subscribe the balance themselves, the Government of Pakistan have given an assurance that applications from foreign investors to subscribe capital offered to, but not taken up by, Pakistani investors will be dealt with expeditiously. The communiqué also explained that profits transferred abroad will be subject only to general exchange control restrictions, in accordance with existing exchange availabilities, to which such remittances are subject elsewhere. Finally, the communiqué referred to the fact that control which would normally accrue to Pakistanis from their share in the capital of a business, is diverted to the foreign element through a Managing Agreement, and stated that Managing Agencies which aim at the maintenance of the quality of a product of the standard of raw materials will be permitted and allowed to continue to the end of their normal term, provided that they work towards creating Pakistani administrative and executive control of the industry during the next ten years.

13. The reluctance of Pakistani investors to come forward at the present time, which was undoubtedly a factor in shaping the industrial policy outlined above, is also evident in a decision taken by the East Bengal Government to establish an Industrial Company, with a capital of Rs.15 crores, to set up jute mills, cotton spinning mills, paper mills and heavy chemical industry. Private capital is to be invited to participate, and if sufficient can be raised, the Government will withdraw from the company. It is hoped by this method to stimulate private investment, which has been extremely backward in East Bengal.

14. Considerable dissatisfaction has been felt by Pakistan exporters of raw cotton at the working of the Inter-Dominion Agreement for the exchange of raw cotton and cotton cloth, and they have alleged that Indian buyers have deliberately refrained from making purchases of cotton in order to force down prices. The decision taken by the Government of Pakistan during the month to space out exports of cotton has strengthened the hand of the exporters *vis-à-vis* Indian buyers, and this decision was coupled with a specific assurance that ceiling prices would not be imposed on raw cotton. Under the new arrangement, some 50,000 bales of raw cotton at present lying in Bombay, which have not been taken up by Indian buyers, will count against the quantity which Pakistan agreed to provide; any portion of the monthly quota not taken up during the month cannot be carried over, and the opening of irrevocable letters of credit will be required in order to export.

15. As regards the import of cotton piece goods to meet the dissatisfaction of the dealers with the Textile Control which, it was alleged, had resulted in at least two months delay between the import of cotton piece goods and their disposal, the Government of Pakistan announced that imported cloth and yarn would no longer be subject to control on distribution or price, although controls on imports from India would be maintained.

16. A Planning Advisory Board to review the progress of development of the industries and economy of Pakistan was established under the chairmanship of Dr. Nazir Ahmed and comprising members of the Development Board, officials of Central and Provincial Governments and ten non-official representatives.

PAKISTAN

MONTHLY APPRECIATION OF THE GENERAL SITUATION

By the United Kingdom High Commissioner, Pakistan

No. 10 for October 1948

*(Received in Commonwealth Relations Office 17th November)***A.—Inter-Dominion**

The month opened in an atmosphere poisoned by the belligerent speech-making of the Indian leaders which preceded the Commonwealth Conference. A particularly bad impression was created by Sardar Patel's speech to the R.I.A.F. in Delhi on 1st October, in which he remarked that India, if released from the embarrassment of the Security Council, would complete the Kashmir operation with the minimum of danger. This suggestion of aggressive intentions served not only to heighten tension between the two Dominions but brought also an increasing bitterness here against the United Kingdom. The profit derived by Pakistan from the Commonwealth connexion was again openly questioned, and Great Britain was warned that unless her policy of strict neutrality between the two Dominions—which Pakistan has always regarded as operating automatically and heavily in India's favour—were abandoned, Pakistan would have no alternative but to reconsider her position in the Commonwealth.

2. Before leaving for the Commonwealth Conference on 9th October, the Prime Minister broadcast to the public, his speech following lines similar to those reported in my Appreciation for the month of August, with emphasis on Pakistan's determination to strengthen her defences, whatever the cost. Despite these repeated public references to defensive preparations, actual progress has been slow, and Pakistan is suffering from her chronic inability to translate planning into practice. The promised A.R.P. and volunteer defence organisations have not yet taken shape, and except in East Bengal, where nervousness at the Province's blatant lack of defences has led to the embodiment of three battalions of the Pakistan National Guard, no effective steps have been taken to exploit the public enthusiasm which followed the collapse of Hyderabad and which is now already rapidly evaporating.

3. Detailed comment on the Commonwealth Conference will be found under the heading "External Affairs," below. From the outset, however, a feature was the jealous comparison between the warmth of reception accorded in London to Mr. Liaquat Ali Khan and Pandit Nehru respectively, and Pakistan's suspicion that India would succeed in outbidding her for Commonwealth favours was shown by the almost pathological reactions to all reports of Pandit Nehru's social and political successes. The Prime Minister's public expressions in London of Pakistan's faith in the Commonwealth and its ideals were critically received, not least because this connoted friendship with India, Pakistan's greatest enemy.

4. A fresh factor contributing to inter-Dominion tension was the increasing exodus of non-Muslims from East Bengal, said to have reached at one period between two and three thousand daily. The poorest classes of Hindus only have been affected, and though apprehensions of war between the two Dominions, to which the Indian leaders' speeches sadly contributed, may have been partly responsible, a major cause of this refugee movement was, it appeared, economic, the free relief promised to refugees on arrival in West Bengal offering a tempting contrast to the high cost of living in East Bengal. Accusations by Provincial leaders in West Bengal, taken up by All-India leaders and in the Indian press, that Pakistan was embarking on a fresh campaign of minority persecution in East Bengal, and allegations that nervousness of Pakistan's Islamic ideology was primarily responsible for the exodus, caused great resentment. This was followed by alarm at the possibility—hinted in such threats as the Delhi *Hindustan Times* statement that the Government of India could not remain passive spectators of the situation—that India, emboldened by her success in Hyderabad, might be planning a further "incident," to enable

her to procure by force that re-union of East and West Bengal openly advocated in the Indian press as the best solution. A stupid statement by the East Bengal Finance Minister that there had been no exodus of Hindus from East Bengal did nothing to relieve the strain. He had meant, apparently, to add "for political reasons." Tension was heightened by border incidents involving exchanges of fire and trans-border raids, which developed so alarmingly as to lead to a request from the East Bengal Government for direct intervention with India by the Governor-General of Pakistan.

5. Despite these developments and the continued anxiety over Kashmir, enhanced by Sardar Patel's assertion in a speech on 12th October that India would not "move even an inch" from the State, tension eased in the second half of the month, partly because of the concentration of attention on the proceedings of the Commonwealth Conference and a general hope that the two Prime Ministers might during their presence in London succeed in reaching agreement over Kashmir; and partly because it was felt that no irrevocable step would be taken by either Government in their absence. Increased confidence was caused by a report current in Pakistan General Headquarters, the precise source of which is not known, that in the event of Indian aggression against Pakistan, the United Kingdom would not insist on the removal of British officers serving with the Pakistan Forces; also, that Pakistan could also count in such circumstances on the United Nations imposition of sanctions against India; on the strength of this report, Pakistan General Headquarters removed a brigade hitherto held in reserve in the West Punjab against an Indian invasion from the East Punjab, to reinforce the middle sector of the Kashmir front, previously held only by Azad Kashmir troops.

6. Reports of the fighting in Kashmir have been conflicting, but it is now clear that a considerable Indian offensive was launched in the Southern sector at the beginning of the month. After some initial advances the offensive was, however, held by the unsupported efforts of Azad Kashmir troops, and the situation appears for the moment again to have stabilised itself. Feeling in Pakistan has undoubtedly hardened against any suggestion that the Pakistan troops should abandon their defensive support of the Azad Kashmir

Forces, and the statement that Kashmir is an integral part of Pakistan and hers by right finds increasingly frequent expression. Nevertheless, Pakistan's willingness to abide by a fair and impartial plebiscite has been authoritatively reasserted. No official attitude has been announced to the suggestion of partition, but rumours that such a solution to the problem might be explored in London produced violent condemnations from the Azad Kashmir leaders. It is too early to judge of reactions to the Prime Minister's statement that he and Pandit Nehru, after their London talks, were "where we have been since October 1947"; but hopes that the talks would meet with success were general enough for this confession of failure to have caused widespread disappointment.

7. With the rapid pacification of Hyderabad by the Indian Army, interest in this affair had already waned by the beginning of the month. It was for a time revived by the appearance of reports, from behind the "iron curtain" of Indian military censorship, of an atrocity campaign against Muslims in the State, with the usual eye-witness allegations of mass executions, loot, arson and rape. A press campaign waged furiously for some days; but by the end of the month this had again abated.

8. A system of permits governing entry into Western Pakistan was brought into force on 15th October, but, owing to delay in setting up the permit issuing offices in Bombay and Calcutta, the system was not immediately enforced against travellers from these cities. Designed primarily as a measure of retaliation against the Indian permit system which has caused much annoyance and inconvenience, this step was also intended as a check on the entry of undesirable characters into Pakistan from India. The Pakistan security authorities allege that a considerable number of Muslim "quislings" have recently been sent to Pakistan from India, particularly since the collapse of Hyderabad. The system has not yet been introduced in East Bengal, but it is the intention to extend it to Eastern Pakistan as soon as the complicated administrative arrangements to cover the long land frontier can be made.

B.—Internal Affairs

9. The final act in Mr. Jinnah's mourning ceremonies took place on 22nd October, when a crowd estimated at 400,000 assembled at his grave to pray and to listen to

tributes from the Governor-General and other leaders.

10. The clearing of refugees from the West Punjab camps has been completed, but some thousands of refugees scattered in the villages have still to be settled. 200,000 of the refugees were transferred to Sind; and the N.W.F.P. and Bahawalpur State have undertaken to accept a further 14,000 and 40,000 respectively, but it is doubtful whether as many as this will be available for transfer. The position in the reception camps at Sind is not satisfactory; the Central Refugee Minister Khwaja Shahabuddin, recently toured the camps, accompanied by the provincial Prime Minister, and issued detailed instructions for their maintenance. The way has been cleared for the removal from inept provincial hands of the resettlement and rehabilitation of refugees and disposal of evacuee property by the issue of Ordinances empowering the Central Government to take over the detailed control of these affairs. The long-debated exchange of prisoners between India and Pakistan began on 21st October and was completed, after some argument over omissions from the lists of prisoners, on 3rd November.

11. Trouble is brewing again in the Provincial Ministries. Before his departure for the Commonwealth Conference, the Prime Minister instructed the West Punjab Premier to remove Mr. Karamat Ali, the notoriously inefficient and corrupt Minister for Education and Industries, from his Ministry. The Khan of Mamdot as usual played for time, with proposals for the expansion of his Cabinet, two names suggested being Firoz Khan Noon and Mian Mumtaz Daultana, and shortly after the close of the month he resigned in order to give effect to this expansion. It remains to be seen whether he will accede to the Central Government's wishes in regard to Mr. Karamat Ali. In Sind a venomous campaign against the Sind Premier has been launched by the newspaper *Dawn*, with the support of a number of other leading Karachi newspapers. Pir Illahi Bakhsh is accused of corruption and inefficiency in terms strongly reminiscent of the earlier indictment of Mr. Khuhro, his predecessor, and the Central Government is urged to step in and impose a régime under the direct control of the Governor. No indication of the Central Government's attitude has so far been forthcoming, the Ministers doubtless wishing to await Mr. Liaquat Ali's return from London, but an oppor-

tunity is here presented for the assumption of Central control over the province of Sind should the Central Government wish to take it. In East Bengal also, increasing economic difficulties and high prices of basic foodstuffs have brought rumours of dissensions within the provincial Ministry, though these have not yet found public expression.

12. The death of the Governor of Sind, Sheik Ghulam Hussein Hidayatullah, for many years a leading figure in provincial affairs, occurred on 4th October. His successor, Mr. Din Mohammed, an ex-Judge of the Lahore High Court, was no doubt chosen with a view to broadening the markedly parochial outlook of the Sind Government. The appointment was outwardly welcomed, and Mr. Din Mohammed's intention to work for greater co-operation between Sind and the West Punjab is a laudable one; but criticism of the appointment of a Punjabi has already been heard from Sindhi quarters.

13. The North-West Frontier Provincial Legislative Assembly met for a brief one week's session on 18th October. The principal business was the passage of the Provincial Public Safety Bill, repeating the provisions of the Ordinance promulgated on 8th July. Considerable opposition was aroused, with accusations that the Ordinance had been used for political ends; but the Bill was passed without amendment. The Premier was able to make great play with the disintegration of the pro-Congress Red Shirt organisation, which has apparently ceased to exist as a political force in the province. On the other hand, latent potentialities for disorder have been revealed in a further outbreak of agrarian trouble in Peshawar district, necessitating a considerable display of force to achieve what seems likely to prove only a temporary settlement.

C.—External Affairs

14. In the field of External Affairs, attention early in the month was centred with manifest unease on the proceedings of the General Assembly in Paris. Efforts to resolve the Berlin dispute were closely watched, and the sensational headlines given to exchanges between representatives of Russia and the Western democracies reflected the growing belief that a dénouement, with infinite possibilities for good or evil, could not much longer be deferred. With the Prime Minister's departure for London on 9th October, however, attention

shifted to the Commonwealth Prime Ministers' Conference. In the proceedings of this Conference interest was well sustained by the press, which made full use of indigenous and imported comment to season the frugal fare of the official communiqués. The merits and demerits of Commonwealth membership have been the subject of diffuse debate, leading to the familiar conclusion that maintenance of the Commonwealth link can only be justified by immediate, concrete and demonstrable advantage to Pakistan—or, to put it crudely, that Britain must pay for the privilege of keeping Pakistan in the Commonwealth. Opinions differ as to what would be a satisfactory price, though few would deny the acceptability of a positive move by Britain to resolve the Kashmir dispute on the lines favoured by Pakistan. There are some who seek no more than evidence, not necessarily connected with Kashmir, of a change of heart towards Pakistan, with the corollary of a less accommodating attitude to India. Others would stipulate more strenuous efforts in Britain to supply Pakistan with machinery and other essential requirements. *Dawn*, inveterate exponent of the *quid pro quo* doctrine, found no reason early in the month to suppose that Britain was either willing or able to offer satisfactory inducements to Pakistan. In a more than usually virulent outburst of Anglophobia, this journal recorded the lionising of Pandit Nehru in London as proof positive that India was the favourite Dominion, and demanded a complete reorientation of Pakistan's foreign policy, broadly hinting that Russian friendship should now be made the objective. Mr. Liaqat Ali Khan's categorical declaration of faith in the Commonwealth, which followed soon after, evidently caused *Dawn* some embarrassment. It extricated itself by asserting complete confidence in the Prime Minister's judgement, and professing to believe that decisions must have been taken behind the scenes which meant, in effect, that Pakistan's essential demands were to be satisfied; enlightenment could be expected when the Prime Minister returned to Pakistan.

15. Comment in the vernacular press followed similar lines, and there have been few signs of any disposition to endorse the Prime Minister's belief in the ideals of the Commonwealth or to hold this as in itself a good and sufficient reason for preserving the Commonwealth connexion. It

is a fair summary of local comment on this issue to say that, in its bitter and recriminatory irrelevance, it reflects the mood of disillusionment bred by fourteen months' struggle for survival. Towards the end of the month, however, with the Prime Minister on his way back to Pakistan, comment subsided in an atmosphere of quiet expectancy as Pakistan waited to learn what the Prime Minister had brought back in his suitcase.

16. To the above, I may add that the editor of *Dawn* when lunching with me recently, defended his attitude as follows. "I detest Russia and the Communists," he said, "but, even so, I would rather see Pakistan under Russian control than see her re-conquered by India." I have no doubt that Mr. Altaf Hussein there speaks for all his fellow Muslims in Pakistan.

17. In Palestine the Zionist incursion into the Negeb led to renewed disparagement of the Security Council for "complicity" in this aggression, and even produced a little mild criticism of the Arab League for what tends to be regarded as the indeterminate character of its policy. It has also added fresh impetus to Pan-Islamic propaganda, and the chorus of appeals for Muslim unity swells with the growing discomfiture of the Arabs. Suggestions that Mr. Liaqat Ali Khan's talks in Cairo on his journeys to and from London might prelude an attempt to translate the brotherly sentiments of Muslim countries into something more practical were discounted by the Prime Minister himself. At a press conference in Paris he made it clear that Pakistan had no present intention of sponsoring the creation of a political *bloc* of Muslim countries; and in his public statements in Cairo he confined himself to exhorting Muslim countries to stand together. It is possible, however, that the Cairo visit may lead to a more positive pro-Arab policy in Pakistan, where the Palestine Aid Committee, depleted by the absence not only of the Prime Minister and Foreign Minister but also of its Secretary, has recently shown few signs of life. The importance attached by the Arab Higher Committee to Pakistan's support is evidenced by their decision to send two representatives to Pakistan to engage in propaganda and stimulate the Palestine Aid Committee to further endeavours.

18. Indonesia has been prominently in the news during the month, and the success

of the Republic's efforts to suppress Communist insurrection has been hailed with relief. In Paris, the Pakistan delegation neglected no opportunity of advocating a more generous attitude to the Indonesian Republic, while interest in Indonesia has been further stimulated by the despatch of a Goodwill Mission to establish consular offices there and arrange for the repatriation of Pakistani deserters. The leader of the Mission has, however, caused some embarrassment to the Pakistan Government on account of the pro-Dutch bias of his public statements as reported by the press. *Dawn* angrily demanded his immediate recall.

D.—Economic Affairs

19. It had for some time been apparent that the inter-Dominion Trade Agreement, details of which were published last July (see paragraph 21 of the Appreciation for that month), had been operating to the disadvantage of Pakistan. Representatives of Pakistan and India met in Karachi during the month to review progress and devise improvements. The communiqué summarising the results stressed the cordial character of the talks, and indeed it is believed that, in common with other inter-Dominion discussions at official level, these took place in a friendly, if businesslike, atmosphere. The communiqué also revealed the extent of India's default. It transpires that a number of commodities, including iron and steel, had not been supplied at all, while supplies of coal had fallen appreciably short of the quantities agreed. India, for her part, had good reason to seek an accommodation with Pakistan, for the latter's decision to apply a monthly quota system to the supply of raw cotton was thoroughly unpalatable to India, who had been further alarmed by a proposal that a similar system should be applied to raw jute, on the ground that Calcutta buyers were holding off in order to depress prices. As a result of the Conference, the monthly quota system was renounced both for jute and cotton. Jute arrangements are to continue until the 31st December on the lines previously agreed. The general belief, however, is that, after that date, Pakistan will be compelled to negotiate for a reduction in her supplies to India on the plea that the latest jute forecast puts the crop at a considerably lower figure than was originally anticipated. As regards raw cotton, it was

agreed to fix India's quota at 360,000 bales for the period up to 31st January, 1949, on the understanding that quantities required for internal consumption and export to other countries would not exceed this quantity for the same period. India undertook to improve coal supplies, and Pakistan gave an assurance of "best endeavours" to fulfil her obligations in respect of food grains. This assurance, it should be added, is not worth a great deal, for earlier in the month the Pakistan Food Minister had categorically stated that shortages caused by floods in Sind, West Punjab and East Bengal made it impossible for Pakistan to fulfil her food commitments to India. Pakistan's food position is, indeed, causing some concern, and she has been compelled to seek assistance from the International Emergency Food Council, which has made an allocation of 60,000 tons of food grains, against a demand for 160,000. Incidentally, the Pakistan authorities have been at pains to make it clear that no question arises of a breach of the agreement in respect of food, since it contains a proviso that, if Pakistan suffered losses of more than 25 per cent. of her crops, she would not be held to her commitments.

20. Details were released during the month of Pakistan's allocations of raw cotton to foreign buyers. The United Kingdom is to receive 100,000 bales. This is much less than had been hoped for, but demands are understood to have been received from at least seventeen foreign countries, and competition was keen. Allocations are based on an availability estimate of 13 lakh bales, which is understood to be considerably in excess of the amount expected to be actually available, and the inference is that Pakistan is banking on India taking up less than the quota offered—the recent agreement contained a proviso that any short-fall in exports to India below 325,000 bales will not be carried over.

21. Allocations of raw cotton, as indeed of jute and other exportable commodities, have been made in pursuance of a set policy, the working of which was reviewed during the month by the Commerce Minister. The policy is simple enough. It is to sell Pakistan's raw materials to those countries which are able and willing to supply Pakistan with her essential requirements, particularly machinery. Thus, Japan has agreed to supply 80,000 spindles, in addition to the 50,000 previously promised, and is understood to have been given a promise of raw jute and cotton in return. Belgium

is to supply steel, and will receive jute. Similarly Russia, who has come to the rescue with 30,000 tons of wheat for Eastern Pakistan, is understood to have been promised raw jute. Details of the Trade Agreement with Czechoslovakia signed during the month have not yet been released, but it is believed that Pakistan will supply raw cotton and hides against machinery and technical assistance. Similar deals are expected with Yugoslavia, whose Trade Mission is already in Karachi, and with Hungary, Egypt and Turkey, who are sending Trade Missions shortly.

22. Industrial policy was also reviewed during the month. It is clear—though no such admission was made—that progress

has lagged behind programme. There are several possible explanations. Planning was perhaps over-ambitious in the first instance; implementation has been hampered by shortage of coal; and Pakistani capital still shows no signs of being attracted by industry, while the high level of taxation acts as a positive deterrent. Though the Minister's review made it clear that foreign capital would be welcome in Pakistan, a subsequent announcement fixed at 30 per cent., the proportion of capital to be offered to Pakistanis in respect of petroleum undertakings, notwithstanding strenuous efforts by existing oil interests to obtain a reduction in this figure to 20 per cent.

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No. 51

PAKISTAN

MONTHLY APPRECIATION OF THE GENERAL SITUATION

By the United Kingdom High Commissioner, Pakistan

No. 11 for November 1948

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A.—Inter-Dominion Affairs

The month opened in a somewhat improved atmosphere, to which the cordial discussions in the Commonwealth Conference had largely contributed. Any increasing inter-Dominion confidence was soon dissipated, however, by the Indian offensives in Kashmir; these rapidly gained successes which threatened areas considered vital for Pakistan's defence and which left the Kashmir situation at the end of the month in a most critical position.

2. Reports of an Indian build-up in Kashmir continued to come in in the first two weeks of the month. The objective was not clear, however, until towards the middle of the month the Indian Army launched an offensive in approximately divisional strength from Rajauri. Within a few days this swept 50 miles northwards and by 20th November it had relieved Poonch, was threatening Mendhar, which fell a few days later, and had placed in Indian hands more than 1,200 square miles of territory occupied by 100,000 Muslim inhabitants, whose displacement provided Pakistan with a further formidable refugee problem. At

the same time, a separate Indian offensive, supported by light armour, stormed the Zoji-La Pass and pressed forward along the trade route to Leh, capturing Dras and Kargil *en route* and undermining the position of the entire Azad Armies operating in this area of Ladakh. The positions overrun in these two offensives were held almost exclusively by Azad Kashmir troops. To relieve the mounting threat to the vital border strip running from Palandri down to Mirpur, the Pakistan Army brought a further brigade of regular troops into the line, and the month closed with preparations afoot for a Pakistan counter-offensive should the Indian troops show signs of pressing on from Poonch and Mendhar.

3. The Indian argument, developed in the Security Council and in the press, that her action in Kashmir was of a "defensive" nature, with limited local objectives, was received in Pakistan with indignation. Equally unfavourable was Pakistan's reception of the UNCIP interim report to the Security Council, with its misleading account of India's virtuous acceptance of the Commission's resolution of 15th

August, compared with Pakistan's "rejection" of the resolution. The feeling that Pakistan had little to hope for from the Security Council hardened, and Pakistan's letter to the UNCIP, warning the Security Council that she must be forced to resort to a counter-offensive in Kashmir if Indian offensive actions did not cease, was written more in the hope that the urgency of the appeal might rouse the Council to action than from any confidence that such action would be effective. There has been growing public acceptance of the view that Kashmir's future, with which Pakistan's continued existence is now popularly linked, depends on Pakistan's own efforts to assist her. Oratory, in which political leaders and Central Government Ministers have latterly been very active, has stressed the interdependence of Pakistan and Kashmir, and an appeal for Rs. 5 million to provide a fighter-bomber squadron for the Azad Kashmir forces has met with an unusually good response. That Pakistan continues to pin her faith on a free and fair plebiscite as the ultimate solution of the Kashmir dispute has nevertheless been authoritatively reasserted: The Prime Minister, broadcasting shortly after his return from Europe, reaffirmed this and said that Pakistan would never allow the people of the State to be forced into a choice against their wishes. The Governor-General spoke in similar terms during a tour of the frontier, further details of which are given below.

4. Although the war of nerves in Bengal continued, until the decision to discuss matters at an Inter-Dominion Conference later fixed for 6th December in Delhi removed affairs from the local arena on to a higher plane, the exodus of refugees from East Bengal—the primary cause of the dispute—had, by the beginning of the month, already fallen to little more than 100 per day and it continued to decline. Suspicions that India was seeking a *casus belli* in East Bengal were not lightly dispelled, however, and the need for strengthening Pakistan's defences was the principal theme of speeches made by the Prime Minister during a tour of the Province in the latter half of the month, as also of speeches made during the Governor-General's Frontier tour. But welcome evidence that the two Dominions could still reach understanding at official level despite the critical atmosphere resulting from the Indian successes in Kashmir was provided by a Defence Secretaries' Conference in Karachi, attended also by the Indian Ser-

vice chiefs, when agreement was attained on a number of administrative matters and Pakistan received important private assurances regarding the limited nature of India's aims in Kashmir.

B.—Internal Affairs

5. The confirmation of Khwaja Nazimuddin in his appointment of Governor-General of Pakistan by His Majesty The King was announced on 13th November. This development had for some time been a foregone conclusion.

6. The Governor-General and the Prime Minister both made important tours during the second half of the month, the former visiting the North-West Frontier Province and also Pakistan General Headquarters at Rawalpindi and the Pakistan Military Academy at Kakul, and the latter making his first visit to East Bengal, where in ten days he completed a most strenuous programme, including visits to most of the important districts in the Province. As was natural when speaking to Pathans, the main theme of the Governor-General's speeches was the need for preparedness in the defence of Pakistan. The Prime Minister was more concerned with local problems, deploring provincialism and urging the need for unity between East and West Pakistan, but he also emphasised that defence must receive top priority and called for sacrifices for Pakistan. Both he and the Governor-General returned from their tours at the end of the month well satisfied with the morale of the people and with their enthusiasm for Pakistan. Defence and the need for more active assistance to Kashmir have indeed been the two principal themes of the considerable number of speeches made by Pakistan Cabinet Ministers, most of whom have been on tour in different parts of Western Pakistan during the month; and appeals for volunteers for Civil Defence were the chief feature of a Youth Convention held in Karachi from 19th–21st December, though the response was negligible.

7. The Ministerial crisis in the West Punjab referred to in my last Appreciation was somewhat unsatisfactorily resolved on 15th November, when a new Provincial Cabinet was sworn in. The only change was the replacement, by a political nonentity, of Karamat Ali, the minister for whose removal the Central Government had pressed. The Central Government's nominees for ministership were not

included, and the new Cabinet is likely, if anything, to be even less effective than its predecessor. The election, by a handsome majority of the members of the Legislature, of Mian Mumtaz Daultana, one of the Central Government's unsuccessful ministerial candidates, as President of the Provincial Muslim League, leaves the Premier with a minority in the Provincial Assembly and will still further increase administrative stagnation. In Sind the complaints against the Provincial Premier are now the subject of enquiry by the Governor, and the campaign against Pir Illahi Bakhsh in the press, reported in last month's Appreciation, has for the moment died down.

8. A meeting of the Pakistan States' Muslim League Council early in the month provided the opportunity for some heated remarks about the feudal conditions in the States and the tyranny of the rulers, and resolutions demanding the intervention of the State's Ministry were passed. Conditions in the Frontier States, which were singled out for particular attack, though admittedly backward, are far from bad judged from local standards; and the only State in which the Pakistan Government is contemplating intervention is Bahawalpur. There, largely owing to large-scale smuggling of food grains to India which Pakistan cannot afford, the State's Ministry intends to supersede the administration and put in officers of its own choosing.

C.—External Affairs

9. If critics of the Commonwealth have been less vocal since the Prime Minister's return—and this is certainly true of the press—the explanation is to be found rather in Mr. Liaqat Ali Khan's personal prestige than in any public refutation by him of the criticisms voiced during the Prime Ministers' Conference. In a broadcast to the nation shortly after his return, Mr. Liaqat Ali Khan reaffirmed his belief in the value of the Commonwealth, but in general terms and without any attempt to suggest that Pakistan would derive those special benefits which alone, in the critics' view, could justify preservation of the Commonwealth link. Yet there were few expressions of dissatisfaction or disappointment, and even *Dawn* contented itself with hinting that the Prime Minister knew a great deal more than it was expedient for him to say.

10. The Prime Minister's friendly references to the Commonwealth were, however, qualified by the observation that, in case of differences between two member countries, it should be possible to arrive at a just settlement. There is no doubt that this view commands wide support in Pakistan, where it found increasingly bitter expression during the month as inter-Dominion tension over Kashmir mounted and the conviction grew that nothing could be expected of U.N. mediation. Mr. Tamizuddin Khan, Deputy President of the Pakistan Constituent Assembly and leader of the Pakistan delegation to the Commonwealth Parliamentary Conference, declared that, if the Commonwealth were to survive, it must devise machinery for the settlement of disputes between its members; he added that it must also put an end to the colour bar and to all restrictions on immigration.

11. Interest in Palestine shows signs of flagging, largely perhaps because the issue is less clear-cut than formerly. The picture of the simple Arab stoutly defending hearth and home against the subtle Jew had an appeal to which Pakistan was prepared to respond with offers, at least, of money, arms and even men. But ardour was cooled by the unimpressive performance of the Arabs in the field of battle, and later by the manœuvres in the United Nations, which tend to be regarded here as a scarcely comprehensible game of international chess. Zafrullah Khan's contributions to the Palestine debates in Paris were followed with the usual respectful attention, but with some bewilderment, too; for the need to reconcile Pakistan's opposition to partition with the realities of the situation has not been conducive to plain speaking on his part. Popular enthusiasm is not sustained by dialectics, and the relatively tepid state of public opinion on the Palestine issue prevents that intensification of pro-Arab activity in Pakistan which might have been expected to result from the Prime Minister's confabulations with the Arab League on his return journey. The publicity given to the two delegates of the Arab Higher Committee (para. 17 of my Appreciation for October) has been conspicuously meagre, and their interviews with the Governor-General and the Prime Minister produced nothing but conventional assurances of sympathy. The Palestine Aid Committee, if it functioned at all during the month, did so obscurely.

12. Palestine nevertheless continues to be a favourite topic with supporters of the Pan-Islamic concept, and much is still heard of the interdependence of Muslim countries. During his tour of the Frontier, the Governor-General laid particular emphasis on the importance of making Pakistan strong as a bastion of Islam. In Mecca, an edict is reported to have been issued calling upon all Muslims to take part in the Kashmir fighting, while another declares as "Un-Islamic" any act by a Muslim that may harm the Islamic State of Pakistan. Both, it seems, were inspired by Maulana Shabbir Ahmed Usmani, President of the Pakistan World Muslim Association. But in Pakistan at least the Pan-Islamic movement remains on an essentially emotional plane and does little to influence the shaping of Pakistan's foreign policy. In a message broadcast from Cairo to all Muslim countries, Mr. Liaqat Ali Khan appealed for unity of thought and action, but, when questioned about the formation of an Islamic *bloc*, he roundly declared his belief in internationalism: "The world's future," he said, "lies not in establishing *blocs*, but in international relations."

13. Communist successes in China have been watched here with apprehension, but also with an eye to the capital which can be made of the Communist threat in order to extract concessions from the West. The only sure way of containing communism, it is argued, is to put an end to the exploitation of backward peoples. Indonesia is cited as a case in point.

D.—Economic Affairs

14. In the economic field, a satisfactory development affecting inter-Dominion relations was the conclusion during the month of what appears to be a workable arrangement for ensuring a steady flow from India to Pakistan of the cotton textiles and yarn which India has undertaken to supply under the general agreement mentioned in paragraph 19 of the October Appreciation. The difficulty experienced by Pakistan in reaping the benefits of inter-Dominion cotton/cloth agreements laboriously negotiated by her representatives has been a constant source of irritation, and, if the machinery now devised by officials of the two Dominions operates smoothly, one of Pakistan's major economic grievances against India will be

removed. Satisfactory also—though deplorably belated—was the settlement, after stubborn bargaining, of outstanding issues in connection with the Jodhpur Railway dispute. A considerable proportion of the rolling-stock due to Pakistan had been transferred by the end of the month.

15. Co-operation between the two Dominions, however, continues to be confined to fields which offer no practicable alternative, and Pakistan is busily pursuing the policy of reducing her economic dependence on India by the development of commercial relations with other countries. The Yugoslav Trade Mission (para. 21 of the October Appreciation) has held discussions with the Pakistan Commerce Ministry and a protocol to the main agreement is reported to have been signed. Authoritative information is not available, but press reports suggest that Yugoslavia is to be supplied with raw jute and cotton in exchange for timber. A Government Trade Representative from Hungary has arrived in Karachi and is said to be offering an assortment of capital and consumer goods in exchange for raw cotton and jute, hides and skins. Details of the trade agreement between Czechoslovakia and Pakistan are still awaited, but an official of the Czechoslovak Foreign Ministry is quoted by the local press as having put the annual turnover under the agreement at approximately £7½ million. It is believed that Czechoslovakia will supply mainly consumer goods. These commercial contacts with countries in the Russian orbit have been welcomed by *Dawn* as evidence of Pakistan's complete independence of outlook.

16. The first major civilian air disaster in Pakistan occurred during the month. A Pak Air Dakota carrying 21 passengers and crew caught fire and crashed while flying from Karachi to Lahore. There were no survivors, and the cause of the accident is obscure. There is reason to suspect, however, that the scandalous inadequacy of present arrangements for the servicing and maintenance of aircraft was a contributory cause, and it will be interesting to see whether the report of the official enquiry, if published, will disclose the true state of affairs in this respect. Fortunately, some improvement may be expected within the next three or four months, for arrangements have been made for the formation of a company known as Pakistan Aviation, Limited, which will provide servicing and maintenance facilities for civil airlines in Pakistan and also for the Royal Pakistan

Air Force. A British firm, Messrs. Airwork, Limited, have, after protracted negotiations, secured the contract for establishing and operating the workshops.

17. Other events of economic interest during the month were the announcement of modifications in the methods of assessing

and recovering Sales Tax; the decision to set up a pilot plant in West Punjab for the production of alloy steel; and the extension of the Open General Licence from sterling and soft currency countries up to June 1949.

CHAPTER III.—CEYLON

C.R.O. ref.: C 2560/56
F.O. ref.: W 1220/166/68

No. 52

CEYLON INDEPENDENCE CELEBRATIONS

Sir W. Hankinson to Mr. Noel-Baker (Received in Commonwealth Relations Office, 19th February)

(No. 2) Colombo,
Sir, 5th February, 1948.

I have the honour to report that the formalities connected with the achievement by Ceylon of Dominion status were carried out with due observance yesterday, 4th February.

2. On the evening of 3rd February, in accordance with instructions, I delivered to Mr. Senanayake the messages from the Prime Minister and from you for use on the appointed day.

3. The weather yesterday could not have been more auspicious for the inauguration of the new régime. The day dawned bright and clear and conditions throughout were perfect. A public holiday had been proclaimed and the people had been asked to treat the day as one of religious observance and dedication to the tasks ahead. All day long orderly crowds roamed the streets and in the evening almost the entire population of Colombo seemed to be abroad admiring the illuminations which graced many of the public buildings and watching a water fête organised by the Port Commission.

4. The chief event of the day was the swearing in of Sir Henry Moore as the first Governor-General of this new Dominion. This took place at Queen's House at 7.30 a.m., that time having been chosen by the astrologers as the most auspicious. The Chief Justice, Sir John Howard, administered the Oaths of Office to the Governor-General in the presence of the Prime Minister and members of the Cabinet. His Excellency had previously explained to me that it was desired to keep the ceremony a "domestic" one and that

it had been decided not to invite the representatives of overseas Governments. The Parliamentary Under-Secretary of State for Commonwealth Relations, Mr. Gordon Walker, who was staying at Queen's House, was present. After the Oath of Office was taken a proclamation was read notifying the appointment of Sir Henry Moore as Governor-General and a salute of nineteen guns was fired. After the swearing in His Excellency broadcast a message to the people of Ceylon and immediately afterwards a message was broadcast by the Prime Minister.

5. At 9.45 a.m. I called at Queen's House by previous arrangement to pay my respects to His Excellency the Governor-General. During this talk the Prime Minister handed to me his replies to the messages from Mr. Attlee and you.

6. In the evening the Prime Minister and Mrs. Senanayake gave a dinner party at their official residence "The Temple Trees," to Their Excellencies the Governor-General and Lady Moore. The Chief Justice, the President of the Senate, the Speaker and members of the Cabinet and their wives were present and one or two senior public servants. The Prime Minister and Mrs. Senanayake were good enough to invite Mr. Gordon Walker, my wife and me, Mr. Twist and Mr. Hunt to be present. This was a signal honour as no other overseas representatives were present and is symptomatic of the many kindnesses which the Prime Minister has shown to my wife and me since we arrived in Ceylon.

I have, &c.

W. C. HANKINSON,
High Commissioner.

CEYLON INDEPENDENCE CELEBRATIONS

Sir W. Hankinson to Mr. Noel Baker. (Received in Commonwealth Relations Office, 10th March)

(Extract)

(No. 4.)

Sir, *Colombo, 1st March, 1948*

In my despatch No. 2 of 5th February, I had the honour to report briefly on the events on Ceylon's Independence Day, 4th February.

2. The next phase of the celebrations may be said to have commenced with the arrival of Their Royal Highnesses the Duke and Duchess of Gloucester on Sunday, 8th February, and to have concluded with the departure of Their Royal Highnesses from Ceylon on the morning of Tuesday, 17th February. I enclose a copy⁽¹⁾ of the official programme, from which it will be seen that a very large number of functions were held during this period.

3. The Government and people of Ceylon were deeply gratified by the decision of His Majesty The King to send His Royal Highness the Duke of Gloucester to open the first Parliament of the new Dominion, and Their Royal Highnesses received a great ovation wherever they went throughout their stay in the island.

4. On arrival at the Katanayake airport Their Royal Highnesses were met by Their Excellencies the Governor-General and Lady Moore, and by the Prime Minister and members of the Cabinet and the heads of the three Services in Ceylon. I had previously intimated to his Excellency that I should like to be present at the airport, but the Governor-General explained that this would be embarrassing as they would have to ask other oversea representatives and they wished to keep the reception purely Ceylonese. Accordingly I did not go to the airport on that occasion, and similarly I was not present when Their Royal Highnesses departed from Ceylon on the morning of 17th February.

* * * * *

7. The main ceremony during the period was, of course, the opening of Parliament by His Royal Highness the Duke of Gloucester on 10th February. This took place in the Assembly Hall at 10.30 a.m. in the presence of a large multitude estimated at 20,000, of whom 5,000 were seated

in the Hall itself. The Assembly Hall was constructed out of two large Air Force hangars which were very tastefully decorated and completely transformed. At the end of the Hall was the dais on which were the Thrones for Their Royal Highnesses and the seats for Their Excellencies and the Prime Minister and Mrs. Senanayake. Behind at a slightly higher level was a dais on which was the Throne of the last King of Kandy, which was brought back to Ceylon by the Duke of Gloucester on a previous occasion. In front of the dais and at a lower level, though raised above the floor of the hall, were the seats of the members of the Senate and members of the House of Representatives and the seats for distinguished visitors.

8. The ceremony itself was simple and dignified and went without a hitch. When the various processions had arrived in turn and Their Royal Highnesses had taken their seats on the dais, Sir Godfrey Thomas stepped forward and read the King's Commission authorising the Duke of Gloucester to open Parliament. Immediately after this the Prime Minister walked up to the Duke and handed him the Speech from the Throne, which His Royal Highness read "seated and covered." After the Prime Minister had received back the speech, the Duke rose and uncovered and read the message which the King had been pleased to entrust to him. Then the Prime Minister, accompanied by the President of the Senate and the Speaker of the House of Representatives, advanced to the dais and asked His Royal Highness if it would be convenient for him to receive Addresses of Thanks from each House immediately. The Duke replied that it was convenient and they returned to their places in "the House." The Speaker then read the message which he had received from the Speaker of the House of Commons, after which he called upon the Leader of the House, Mr. S. W. R. D. Bandaranaike, to deliver the Address of Thanks on behalf of the House of Representatives. Next the President of the Senate called upon the

⁽¹⁾ Not printed.

Leader of the Senate, Sir Oliver Goonetilleke, to deliver the Address on behalf of the Senate. After the Leaders had completed their speeches they walked up together and presented their Addresses to His Royal Highness, who expressed his thanks to the Senate and the House of Representatives. The Prime Minister, the President and the Speaker then walked up to the dais and His Royal Highness handed to them three special copies, signed by His Majesty the King, of the two Independence Orders-in-Council and the Ceylon Independence Act. This concluded the proceedings and the processions then retired to the entrance where the Prime Minister unfurled the Lion Flag.

* * * * *

12. Throughout the celebrations the crowds in Colombo were very great, but however long they had to wait in the heat they were always good humoured and orderly. This particularly impressed many of the distinguished guests, who referred to it specially in their farewell broadcasts. The Police did a really magnificent job. They must have worked very long hours, but they were always cheerful and efficient and able to cope with any difficulties that arose. The authorities charged with responsibility for organising the celebrations deserve great credit for their careful and efficient planning.

I have, &c.

W. C. HANKINSON,
High Commissioner.

CHAPTER IV.—GENERAL

C.R.O. ref. E (B) 425/48

F.O. ref. F 1421/76/85

No. 54

ECONOMIC EFFECTS OF THE DISTURBANCES IN THE PUNJAB

The total movement of population is approximately 10,000,000, of which 5·9 millions have moved from East to West Punjab, and 3·8 millions have moved from West to East Punjab. It can probably be assumed that a more or less complete exchange of Muslim for Hindu and Sikh inhabitants (see appendix, Table I) has taken place between the East and West Punjab, and that the population of the latter has increased by some 2,000,000 in rural areas and over 100,000 in the towns (see appendix, Table II). The West Punjab is the richer agricultural area, and Muslim refugees will probably receive larger holdings than they left. The amount of land per head of the population (arrived at by dividing the total acreage by population) was 5·3 acres in the West Punjab before the migration and will be 4·4 after the migration is completed. In the East Punjab it was 2·95 acres before the migration and will be 3·4 acres afterwards. Thus the displaced Hindus and Sikhs of the West Punjab, although much less numerous than those whose places they are taking, must expect on the average to receive much less land than they held before they migrated. The East Punjab, therefore, even though its population has fallen by over 2,000,000, may well face a more difficult agricultural resettlement problem as a result of its immigrant population having to settle on smaller holdings of poorer quality land than those to which they have been accustomed.

2. The immediate results of the migration in both Provinces will be physical enfeeblement, lost crops, reduced sowings, lack of tools and draught cattle, of organisation and local knowledge, not to mention disputes over land ownership. The East Punjab Government has authorised loans of Rs.157 lakhs but their provision and effectiveness may be slow.

3. Cattle and crop losses can only be guessed, but 75 per cent. of normal is a sanguine estimate of the autumn crop in the West Punjab, which normally produces a grain surplus. Central procurement has failed; hoarding and over-consumption

will result from lack of confidence; and the normal export from West to East Punjab of 150,000 tons of rice and much maize and millets, is most unlikely to occur. The disturbances and the feeding of refugees have also seriously depleted central stocks and led to actual Government borrowing from other areas.

4. The problem of urban overcrowding in the West Punjab should be less intractable since the Indian city worker retains his rural contacts and is, therefore, more adaptable than city workers in Western countries. Moreover, factories in the West Punjab are intact and employ mainly rural workers though they face fuel shortage and disrupted markets and the loss of (largely Hindu) administrative staff. Deserted factories and shops were to be auctioned by the Government, which considered running some of the larger concerns itself. In East Punjab, 264,000 refugees have been registered with a view to their being trained for new trades.

5. Maldistribution of skill has resulted. Crafts and religion often go together. Thus blacksmiths in East Punjab were Muslim and carpenters were Sikhs. There is now an excess of carpenters and a shortage of blacksmiths. In the West Punjab over half the old rural population lived otherwise than by agriculture. The proportion of these will have sunk but the newcomers must learn new crafts and re-establish the old trading system and goodwill.

6. In the West Punjab trade was almost wholly in the hands of non-Muslims and the commercial system has been wrecked by the departure of the Hindus and Sikhs. It will be years before this situation can be repaired. Moreover, the banks there are hamstrung by the permanent loss of the Hindu majority of their staffs and the training of Muslim replacements may take six months or a year at least. In consequence the credit system has broken down and this has severely restricted normal trade.

7. The disorganisation is aggravated by the breakdown of goods transport. The monopolization of the railways by refugees

and the withholding of wagons by both Dominions has not only stopped the normally large traffic in foodgrains and cotton between the East and West Punjab, but has caused stocks to pile up in bank godowns. The consequent halt in bank advances, together with the non-negotiation of cheques and the loss of confidence, has stifled commerce and particularly the cotton trade. In the latter, an officially sponsored financial corporation in the West Punjab has done good work, but official disposal schemes are less reliable.

8. In early December it was estimated that only 560,000 immigrants remained in

camps in the West Punjab, out of 4,200,000 who had so far arrived. In the East Punjab at that date some 800,000 arrivals had been settled on the land and shelter found for all. The cost in food and clothing has been high and, meanwhile, Government land and other revenue has slumped, and the railways have lost heavily. The East Punjab's budget deficit of Rs.2·3 crores (£1½ million) since partition is an underestimate.

Commonwealth Relations Office,
20th January, 1948

Appendix

TABLE I.—*Communal Population of East and West Punjab before the Migrations*
(Thousands)

	East Punjab			West Punjab		
	Muslim	Others	Total	Hindu	Others	Total
Agricultural ...	2,432	6,719	9,151	1,122	4,702	5,824
Non-Agricultural—						
(i) Urban ...	1,217	1,551	2,768	1,102	1,656	2,758
(ii) Rural ...	2,277	4,772	7,049	1,584	7,080	8,664
Total ...	5,926	13,042	18,968	3,808	13,438	17,246

See Note⁽¹⁾.

See Note⁽²⁾.

TABLE II.—*Effect of Migrations on total population of East and West Punjab and its distribution by occupations*
(Thousands)

	East Punjab		West Punjab	
	Before Migration	After	Before Migration	After
Agricultural ...	9,151	7,841	5,824	7,134
Non-agricultural—				
(i) Urban ...	2,768	2,653	2,758	2,873
(ii) Rural ...	7,049	6,356	8,664	9,357
Total ...	18,968	16,850	17,246	19,364

NOTES—

(¹) The 5·9 million Muslims in East Punjab and the 3·8 million Hindus and Sikhs in West Punjab set the outside limits for the numbers of refugees. It is thought that the exchange of populations has been almost completed.

(²) The figures for these tables are obtained by projection from the census figures of 1931 and 1941; they are the basis of most estimates on the subject. Other forms of calculation show wide variations and inconsistencies.

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE UNITED STATES AMBASSADOR

Possible Appointment of an American Administrator for Kashmir Plebiscite

Mr. Bevin to Sir O. Franks (Washington)

(No. 1744)

Sir,

*Foreign Office,
7th December, 1948.*

I asked the United States Ambassador to call to-day to speak about Kashmir. The Secretary of State for Commonwealth Relations was also present.

2. I explained to Mr. Douglas that I had instructed you to have a personal and confidential talk with Mr. Marshall, but that it had not been possible to arrange this as Mr. Marshall was in hospital. The particular question on which I wanted to have Mr. Marshall's personal views was that of appointing an American as Plebiscite Administrator. The general question had already been discussed with Mr. Lovett, and I was not now making official representations to the United States Government. I wanted, however, to let Mr. Marshall know personally that the whole question had been discussed by senior British Ministers, and our view was that this issue was so delicate that it would be very desirable to have as Plebiscite Administrator an outstanding personality whose advice and decisions would command general respect. I did not, of course, know what

the views of the two parties directly concerned would be, and I was therefore only sounding Mr. Marshall at this stage. The name that I and my colleagues thought would carry real weight was that of General Eisenhower, and I accordingly asked the Ambassador to ascertain from Mr. Marshall what his personal reactions would be to sounding General Eisenhower and finding out whether he would accept this post. I then handed Mr. Douglas a copy of the message contained in my telegram No. 12938.

3. Mr. Noel-Baker gave Mr. Douglas some further background information and emphasised the importance of the matter.

4. Mr. Douglas said he would communicate our message, although he advised that the first part of it was perhaps rather too personal for transmission through the ordinary official channels. He advised, therefore, that you should take as early an opportunity as possible to follow up his own telegram by setting out these general considerations to Mr. Marshall.

I am, &c.

ERNEST BEVIN.

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